

1 Since 2017, CEO costs have decreased \$171,710 (12%) due primarily to
2 severances recorded in 2017 while there were no severances during the Test Year.

3 *Table 24*
4 **Chief Executive Officer Headcount Trends**

Headcount	2017	2018	2019	Test Year
Chief Executive Officer	3	3	3	3
Internal Audit	40	42	42	42
Total	43	45	45	45

Note: Does not include CEO classes supported by other Company witnesses
Source: W/P Frantz - 8

5 Q. PLEASE DESCRIBE HOW THE BUDGETING PROCESS IS USED BY THE CEO'S
6 CLASS OF SERVICES TO MONITOR AND CONTROL COSTS.

7 A. Each of these departments uses the same budgeting and review process that I previously
8 described for the CFO class. A budget versus actual analysis for these departments for
9 the past three years and the test year, for the total department (excluding incentives) and
10 not only the portions billed to SWEPCO, is shown below:

11 *Table 25*
12 **CEO/Internal Audit**
13 **Budget vs. Actual Trends**
14 **(in millions)**

	2017	2018	2019	Test Year
Budget	\$15.7	\$8.3	\$9.1	\$9.0
Actual O&M Expenditures	\$13.3	\$8.6	\$10.2	\$10.2
Over (Under) Budget	\$(2.4)	\$0.3	\$1.1	\$1.2

Note: Does not include Chairman's Office classes supported by other Company witnesses

15 Overall, the CEO and Internal Audit departments have been comparable to budget for
16 2017 through the test year.

Internal Audit - \$763,548

Q. PLEASE DESCRIBE THE INTERNAL AUDIT SERVICES PROVIDED TO SWEPCO.

A. Internal Audit provides audit and review services to assist management and the Board of Directors in the effective discharge of their responsibilities to establish, maintain, and oversee a proper internal control environment. Internal Audit reports directly to the Chief Executive Officer of AEP and has a direct reporting responsibility to the Chairman of the audit committee of the Board of Directors.

Internal Audit also has key responsibilities in the management and implementation of the Sarbanes-Oxley Act and in SWEPCO's compliance with the Act, including the management and tracking of the AEP system controls matrix consisting of several thousand testing requirements. As a result of Sarbanes, the Company was required to implement a new system to track all accounting and management controls, the testing of the controls, and the results of the testing. The department also provides the workflow for the preparation and review of Sarbanes testing requirements.

Q. PLEASE DISCUSS THE REASONABLENESS OF AFFILIATE EXPENSES FOR INTERNAL AUDIT AND THE BENEFITS THAT SWEPCO DERIVES FROM PROVISION OF THESE SERVICES BY A CENTRALIZED SERVICE COMPANY.

A. AEPSC's internal audit services benefit each AEP subsidiary, including SWEPCO, by providing a single point of contact for parties involved in overall corporate governance, such as the AEP audit committee. The centralized provision of internal audit service provides for the corporate-wide planning of audit activities and coordination with

1 AEP's independent accounting firm to ensure that it performs only those services
2 necessary, thereby controlling the firm's billings. The centralization of audit services
3 allows for corporate-wide planning and management of audit personnel, which allows
4 the audit services group to remain at an optimal skill level and head count. Generally,
5 the effect of improved, cost-beneficial internal controls is lower costs through improved
6 asset utilization and control. These benefits accrue to the reviewed organization or
7 subsidiary and to its customers. The benefits resulting from internal controls affecting
8 future operations are avoided costs of corrections and potential financial report
9 restatements.

10 Chief Executive Officer - \$452,182

11 Q. WHAT ARE SWEPCO'S ADJUSTED TEST YEAR COSTS FOR THE CEO COSTS
12 PROVIDED BY AEPSC?

13 A. The CEO costs billed to SWEPCO are \$452,182. The Chief Executive Officer
14 provides overall strategy, direction and management to all companies in the AEP
15 system and includes the CEO of AEP and his staff. Additionally, this department
16 manages corporate initiatives for the benefit of all companies, provides support to the
17 AEP Board of Directors, and participates in national and international organizations
18 to promote or resolve industry issues.

19 C. Supply Chain, Procurement & Fleet Operations (SCPFO) - \$334,300

20 Q. PLEASE DESCRIBE THE SCPFO SERVICES PROVIDED TO SWEPCO.

21 A. SCPFO provides services to SWEPCO that leverage centralized AEPSC services only
22 where doing so enhances efficiency. SCPFO provides supply chain and transportation

1 support services to the AEP operating companies. The supply chain, fleet operations,
2 and procurement related departments are as follows:

- 3 • Supply Chain and Fleet Operations – responsibilities include providing
4 warehousing support, inventory controls, vehicle acquisitions, and
5 administrative support for SWEPCO;
- 6 • Procurement – responsibilities include providing strategic management
7 and tactical oversight for the procurement of goods and services;
- 8 • Supply Chain Center of Excellence – provides an overall support structure
9 for SCPFO functions, including maintenance and standardization of the
10 AEP material catalog as well as management of the asset recovery process.

11 Q. PLEASE PROVIDE MORE DETAIL ON THE SERVICES PROVIDED BY THE
12 INDIVIDUAL DEPARTMENTS THAT COMPRISE SUPPLY CHAIN AND FLEET
13 OPERATIONS, PROCUREMENT AND SUPPLY CHAIN CENTER OF
14 EXCELLENCE.

15 A. The AEPSC Fleet Administrative Services group performs the following services:

- 16 1. Track vehicle maintenance and repair costs to ensure those costs are applied to
17 the appropriate vehicle and using departments.
- 18 2. Process and track vehicle warranty claims to ensure recovery of funds where
19 possible and the safe operation of vehicles.
- 20 3. Place orders for the acquisition of vehicles, process payments to ensure costs are
21 applied to the appropriate vehicle and using departments, and obtain initial titles
22 and registrations to ensure compliance with state and/or federal requirements.
- 23 4. Process, manage and monitor vehicle leases to ensure compliance with
24 Sarbanes-Oxley and policy requirements.
- 25 5. Process annual vehicle license and permit renewals to ensure compliance with
26 state and/or federal requirements.
- 27 6. Process and track fuel usage and billing.

28 The Inventory Control group performs the following services:

- 29 1. Work with storerooms in the review and establishment of optimum inventory
30 levels and material reorder points.

- 1 2. Review SWEPCO material requests for accuracy and the ability to source from
2 inventory rather than purchase new material.
- 3 3. Provide coordination for SWEPCO to ensure material is available to support
4 project start dates.
- 5 4. Provide material ordering and replenishment assistance and coordination for
6 storm and outage planning and to support the emergency restoration of power.
- 7 5. Assist in the continued standardization of material to maintain economies of
8 scale in material purchases.
- 9 6. Set the standards for cost effective inventory management processes, provide
10 training as needed, and monitor results to ensure those standards are being
11 followed.

12 The Corporate Procurement group performs the following services:

- 13 1. Develop short and long-term sourcing, contracting, integrated supply and
14 category management strategies that allow SWEPCO support functions, such as
15 Information Technology, Safety & Health, Human Resources, and Fleet
16 Operations, to experience the lowest and best cost, measure supplier
17 performance, and receive overall value for vehicles, equipment, goods and
18 services in compliance with Sarbanes requirements and established
19 authorization and procurement policies.
- 20 2. Develop expertise in understanding the capability of material, vehicle,
21 equipment, and services suppliers used by functions such as Information
22 Technology, Safety & Health, Human Resources, and Fleet Operations.
- 23 3. Coordinate the logistics of expedited delivery of material and equipment to
24 support SWEPCO outage and restoration activities and manage the delivery of
25 large items, such as substation transformers, to ensure safe, cost effective and
26 timely delivery.
- 27 4. Provide coordination of the vehicle lifecycle process, including competitive
28 bidding for vehicles, to ensure corporate-wide leveraged pricing. Assist field
29 operations with resolving issues related to vehicle specifications and monitor
30 changes in Department of Transportation and Department of Energy rules to
31 ensure vehicle specifications comply with new requirements. Provide
32 coordination for special studies to determine "root cause" issues with like
33 models of vehicles.
- 34 5. Manage a fleet fuel hedging strategy to mitigate the volatility of fuel costs and
35 take advantage of cost reductions where possible.

1 The Generation Procurement group performs the following services:

- 2 1. Develop short and long-term sourcing, contracting, and category management
3 strategies that allow the SWEPCO Generation function to experience the lowest
4 and best cost, measure supplier performance, and receive overall value for
5 various goods and services.
- 6 2. Develop expertise in understanding the capability of material, equipment, and
7 services suppliers used by the SWEPCO Generation function.
- 8 3. Coordinate the development of leveraged contracts to obtain material,
9 equipment, and services to support construction and maintenance activities of
10 the SWEPCO Generation function.
- 11 4. Execute approved purchase orders to obtain material, equipment, and services in
12 compliance with Sarbanes requirements and established authorization and
13 procurement policies.
- 14 5. Align strategic sourcing function to a commodity focus to strengthen commodity
15 subject matter expertise and resulting contract negotiations and agreements.
- 16 6. Provide collocated Procurement sourcing for short term regional-based
17 acquisitions of materials and services to support the SWEPCO Generation
18 function.

19 The Transmission & Distribution Procurement group performs the following services:

- 20 1. Develop short and long-term sourcing, contracting, and category management
21 strategies that allow the SWEPCO Transmission and Distribution functions to
22 experience the lowest and best cost, measure supplier performance, and receive
23 overall value for various goods and services.
- 24 2. Develop expertise in understanding the capability of material, equipment, and
25 services suppliers used by the SWEPCO Transmission and Distribution
26 functions.
- 27 3. Coordinate the development of leveraged contracts to obtain material,
28 equipment, and services to support construction and maintenance activities of
29 the SWEPCO Transmission and Distribution functions.
- 30 4. Execute approved purchase orders to obtain material, equipment, and services in
31 compliance with Sarbanes requirements and established authorization and
32 procurement policies.
- 33 5. Expedite material and equipment as required, to support the construction,
34 maintenance, and service restoration activities of the SWEPCO Transmission
35 and Distribution functions.

- 1 The Supply Chain Center of Excellence group performs the following services:
- 2 1. Develop processes, tools, and training related to Supply Chain, Procurement &
3 Fleet in an effort to leverage industry best practices, set operational standards
4 and achieve sustainable cost savings.
 - 5 2. Provide cost analysis, reporting, and benchmarking.
 - 6 3. Register and maintain supplier information that includes items such as financial,
7 safety or operational risk.
 - 8 4. Seek opportunities to provide value from items that are no longer needed and
9 ensure corporate-wide leveraged contracts are in place to assist operating
10 company personnel with the investment recovery of normal scrap material
11 created from construction and maintenance activity of SWEPCO.
 - 12 5. Provide additions, deletions, and modifications to the material catalog as
13 specified by SWEPCO and ensure that safety and accounting policies are
14 followed during the approval process for adding material to the catalog.
 - 15 6. Administer the AEP Corporate Credit Card program to ensure lodging, meals
16 and availability of purchasing tools to support outages, emergency response and
17 service restoration activities of SWEPCO.
 - 18 7. Administer and support the AEP Supplier Diversity program and related
19 governmental reporting requirements.
 - 20 8. Assist diverse suppliers with identifying and registering material, equipment,
21 and services that may be needed by SWEPCO.
 - 22 9. Provide guidance and support on the development and implementation of
23 Supply Chain, Procurement and Fleet Operations systems to ensure alignment
24 with corporate initiatives and legal and financial controls.
 - 25 10. Implement and support tools to assist field operations in simplifying data
26 consolidation and analysis and to provide quick and consistent overview of fleet
27 and inventory metrics.
 - 28 11. Perform operational, risk, and safety assessments on new suppliers and assist
29 current suppliers in process improvement, resolution of quality issues, and safety
30 practices in order to improve cost, quality, and schedule.
 - 31 12. Use analytics to evaluate levels of inventory and ensure an effective balance
32 between cost controls and sufficient inventory to meet SWEPCO outage and
33 service and restoration needs.

34 Q. WHAT ARE THE COSTS ASSOCIATED WITH AFFILIATE BILLINGS FROM
35 AEPSC TO SWEPCO FOR SCPFO SERVICES?

1 A. In the table below, the 2017-2019 amounts show SCPFO costs.

2 *Table 26*
3 **SCPFO Cost Trends**
4 **As Billed to SWEPCO**

	2017	2018	2019	Test Year
SCPFO	\$267,640	\$319,634	\$369,965	\$334,300

5 The costs during the test year are comparable to the 3 year average from 2017-2019.

6 D. Internal Support Class of Service - \$1,274,626

7 Q. WHAT ARE SWEPCO'S ADJUSTED TEST YEAR COSTS PER EXHIBIT BJF-24
8 FOR INTERNAL SUPPORT CHARGES BILLED BY AEPSC?

9 A. The internal support test year costs for SWEPCO are \$1,274,626.

10 Q. WHAT IS THE NATURE OF THE COSTS INCLUDED IN THE INTERNAL
11 SUPPORT CHARGES?

12 A. Just as SWEPCO requires accounting, finance and other corporate support services to
13 sustain its operations, so does AEPSC. These and other similar categories of costs are
14 the ongoing routine cost of maintaining AEPSC as an ongoing business operation.
15 For example, AEPSC is required to maintain a general ledger and report financial
16 results to various external parties. As a result, AEPSC requires accounting services to
17 maintain its own operations. These costs are included in the internal support billing.
18 AEPSC must collect the costs of maintaining its own business operations and
19 personnel through its billings to all the affiliates it serves, including SWEPCO.

20 Q. WHAT IS THE COST TREND FOR THE INTERNAL SUPPORT COSTS?

21 A. The trend in internal support costs since 2017 has been:

1
2
3

Table 27
Internal Support Trends
As Billed to SWEPCO

	2017	2018	2019	Test Year
Billed to SWEPCO	\$1,077,752	\$1,867,380	\$2,711,648	\$1,274,626

4 Q. HOW DOES THE BILLING SYSTEM WORK TO ENSURE THAT SWEPCO
5 RECEIVES ONLY ITS APPROPRIATE SHARE OF THESE CHARGES?

6 A. Each month, the costs to support the operation of AEPSC are accumulated. These
7 costs are then billed to each company which received services from AEPSC during
8 that period, in direct proportion to the amount of services each company received.
9 For example, a company who received 5% of the total services billed by AEPSC in a
10 given month for services will receive a charge for 5% of the AEPSC support costs.
11 Allocating the costs to support AEPSC to those companies who use the services of
12 AEPSC ensures that each company pays for the operations of the services company at
13 a level that is commensurate with the level of services it receives.

14 Q. WHY IS THIS APPROACH TO BILLING THE COST OF INTERNAL SERVICE
15 COMPANY SUPPORT USED?

16 A. This approach is used to ensure each company pays for the appropriate level of
17 AEPSC operational costs. On a periodic basis, the support costs are reviewed to
18 determine whether the costs can be more directly billed. When it is determined that a
19 more direct method exists and is cost effective to implement, that category of costs is
20 removed from the support "pool" and is billed in a manner that is more direct.

21 Q. WHAT PERCENTAGE OF THE ENTIRE AEPSC BILL IS ATTRIBUTABLE TO
22 INTERNAL SUPPORT COSTS?

1 A. For the test year ended March 31, 2020, AEPSC billed out \$1.3 million in internal
2 support costs to SWEPCO, which represents approximately 1% of the total SWEPCO
3 AEPSC bill.

4 Q. DO YOU BELIEVE THE INTERNAL SUPPORT COSTS BILLED TO SWEPCO
5 ARE REASONABLE?

6 A. Yes, I do. AEPSC bills out all expenses, including its internal support costs, using an
7 “at-cost” basis. AEPSC generates zero net income and bills no mark-up or profit. If
8 SWEPCO were able to obtain and purchase comparable services from a source other
9 than AEPSC, the price paid by SWEPCO would likely include overheads similar to
10 the AEPSC internal support costs, as well as a profit margin for the outside company
11 performing the work. AEPSC has no profit motive, bills at cost, and provides
12 economies of scale through the common provision of utility services.

13 Q. HAVE YOU MADE ANY ADJUSTMENTS TO THE INTERNAL SUPPORT
14 COSTS IN THIS CASE?

15 A. Yes. Pro-forma number 11 in Section 1.D. of my testimony discusses the adjustment
16 I made to internal support. Because internal support is allocated to companies based
17 on the level of services they receive from AEPSC, it is appropriate when adjustments
18 are made to increase or decrease the AEPSC costs included, in the context of a rate
19 case, that we also make an upward or downward adjustment in the amount of internal
20 support charged. This ensures that the overall costs charged to SWEPCO reflect the
21 internal support loading in the proper relation to the total AEPSC costs included in
22 the filing.

1 E. AEPSC Incentives Class of Service - \$3,999,909

2 Q. WHAT ARE AEPSC'S ADJUSTED TEST YEAR COSTS PER EXHIBIT BJF-1 FOR
3 AEPSC INCENTIVES BILLED BY AEPSC?

4 A. The AEPSC incentives adjusted test year costs for SWEPCO are \$3,999,909.

5 Q. WHAT IS THE NATURE OF THE COSTS INCLUDED IN THE AEPSC
6 INCENTIVES?

7 A. The costs included are the expenses billed to SWEPCO for AEPSC employees'
8 participation in the annual incentive and long-term incentive compensation plans.
9 SWEPCO witness Carlin discusses the Company's incentive compensation programs.
10 I sponsor a proforma adjustment to reduce the annual and long-term incentive costs to
11 a target level, excluding financial measures.

12
13 V. REASONABLENESS OF ALLOCATION FACTORS

14 Q. PLEASE DISCUSS THE ALLOCATION FACTORS USED FOR EACH CLASS OF
15 SERVICE IN THIS CASE.

16 A. As mentioned earlier, all AEPSC departments directly assign costs to the appropriate
17 affiliate company to the maximum extent practicable. In cases where a service is
18 provided to more than one affiliate company, an allocation factor that best correlates
19 to the cost driver underlying the service provided is selected. The allocation factors
20 used by each separate class of service have been selected for use based upon the
21 unique services provided to multiple affiliates, including SWEPCO. By utilizing
22 appropriate allocation factors which fairly and reasonably allocate AEPSC costs for

1 services rendered to the operating companies, AEPSC ensures that SWEPCO and the
2 other operating companies receive charges no higher than those of other AEP
3 affiliates for the same services or types of service.

4 A. Customer Service (\$11,392,833)

5 Q. WHAT SERVICES ARE PROVIDED BY THE AEPSC CUSTOMER SERVICE
6 ORGANIZATION?

7 A. As discussed in greater detail in the testimony of SWEPCO witness Pratt, the AEPSC
8 Customer and Distribution Services (C&DS) organization provides specialized energy
9 delivery support services and expertise across the AEP system. The customer service
10 related departments are as follows:

- 11 • Customer Strategy and Insights – develops and supports customer digital
12 channels and key customer insights and metrics.
- 13 • Customer Solutions and Policy – focused on the convergence of customer
14 preferences, new technologies, reducing costs, and minimizing risks. This
15 group is dedicated to developing and implementing a variety of innovative
16 customer solutions and marketing programs.
- 17 • Customer Services Support – responsibilities include support for
18 customer-facing functions and systems. These include Utility Business
19 Development, Special Billing and Translation, Load Research, EE &
20 Consumer Programs, Customer Choice, and Customer Information
21 Systems Implementation & Support.
- 22 • Economic and Business Development – responsibilities include
23 developing new programs and initiatives to spur growth and investment
24 throughout AEP's service territories, and managing AEPSC National
25 Accounts that includes providing national account management services to
26 large chain accounts that have locations in more than one AEP Operating
27 Company service area.

28 Q. WHAT ALLOCATION FACTORS ARE PREDOMINATELY USED TO CHARGE
29 CUSTOMER SERVICE TO SWEPCO?

1 A. Three allocation factors account for ~90% of the Customer Services costs charged to
2 SWEPCO by AEPSC. These include “100% to One Company,” “Number of Electric
3 Retail Customers,” and “Number of Phone Center Calls.”
4 100% to One Company (\$6,174,805) accounts for ~54% of the AEPSC customer
5 service charges to SWEPCO. Included in these directly assigned charges are costs
6 related to the customer operations centers. Also included in this factor are load
7 research costs. Any service that is performed specifically for a single affiliate
8 company, including SWEPCO, is directly assigned.
9 Number of Electric Retail Customers (\$2,056,279) accounts for ~18% of the AEPSC
10 customer service charges to SWEPCO. This allocation factor is used to allocate the
11 cost of services such as handling customer complaints, managing and supporting
12 customer service field applications, end-use customer meter related services,
13 managing and supporting the customer information system, designing customer
14 related systems and processes and processing customer-related market transactions.
15 This allocation factor is proper for these services since they directly relate to end-use
16 customers, and the volume of work varies with the number of customers.
17 Number of Phone Center Calls (\$1,999,744) accounts for ~18% of the AEPSC
18 customer service charges to SWEPCO. This allocation factor is used to allocate the
19 costs of services such as the Customer Operations Centers (COC) supporting
20 customer inquiries and requests. For those COC costs not tracked separately for each
21 company, such as time on the phone with customers, this volume driven factor

1 allocates these support services in the proportion to the relative level of customer
2 calls.

3 Q. HOW ARE THE REMAINING AEPSC CUSTOMER SERVICE COSTS
4 CHARGED TO SWEPCO?

5 A. The small amount of remaining costs (\$1,162,005) is allocated using a variety of
6 different allocation formulas. In each instance, however, the choice of the allocation
7 factor for a particular project or activity is the product of the same selection and
8 review process overseen by the AEPSC Accounting department and described earlier
9 in my testimony. Accordingly, these charges are likewise properly allocated based
10 upon factors that reflect principles of cost causation. Each of these allocation factors
11 is provided on W/P Frantz – 2B.

12 B. Distribution (\$1,301,449)

13 Q. WHAT SERVICES ARE PROVIDED BY THE AEPSC DISTRIBUTION
14 SERVICES ORGANIZATION?

15 A. As discussed in greater detail in the testimony of SWEPCO witness Drew Seidel, the
16 AEPSC Distribution organization focuses on functions tied to system reliability and
17 performance in AEP's service territory. The distribution related departments are as
18 follows:

- 19 • The Utilities group focuses on process improvements, best practices,
20 hardware and system development, and contract negotiations in order to
21 improve overall operating efficiencies.
- 22 • Performance Management – supports two major functions: Distribution
23 Line Training and Human Performance Improvement.
- 24 • Distribution Services Support – Distribution Engineering and Operations
25 Systems group manages the development, enhancement, support, and

1 maintenance of distribution information technology systems for the AEP
2 Utility Organization.

- 3 • Distribution Engineer Services – Distribution Reliability Planning
4 supports evaluation and implementation of AEP’s reliability programs and
5 focuses on developing and maintaining engineering standards.
- 6 • Distribution Planning – System Planning conducts and implements system
7 improvement planning across AEP and provides distribution capacity
8 planning efficiencies.
- 9 • Emergency Preparedness and Resiliency – ensures identification of and
10 readiness to respond to business continuity interruptions, recovering
11 critical business processes following an event.

12 Q. WHAT ALLOCATION FACTORS ARE PREDOMINATELY USED TO CHARGE
13 DISTRIBUTION SERVICES TO SWEPCO?

14 A. Four allocation factors account for ~93% of the Distribution services costs charged to
15 SWEPCO by AEPSC. These include “Number of Electric Retail Customers,” “100%
16 to One Company,” “Total Assets,” and “Number of Employees.”

17 Number of Electric Retail Customers (\$686,424) accounts for ~53% of the AEPSC
18 distribution services charges to SWEPCO. This allocation factor is used for services
19 where the relative size of the various distribution Business Units receiving the service
20 drives the level of services. Since distribution companies are sized to serve end-use
21 customers, the number of customers provides an appropriate measure of relative size.
22 The larger number of retail customers, the more activity is required to be expended on
23 each of the activities that fall in this category.

24 Total Assets (\$270,390) accounts for ~21% of the AEPSC distribution services
25 charged to SWEPCO. This allocation factor is used for distribution services related
26 to strategic planning, continuity planning, technical or economic analysis, and market
27 research. In these instances, the level of service varies in proportion to the size of the

1 affiliate benefiting from the service and, as such, asset size is a reasonable method to
2 assign the cost for such service.

3 100% to One Company (\$137,367) accounts for ~11% of the AEPSC distribution
4 services charges to SWEPCO. Included in these directly assigned costs are
5 performance management services, and meter services support provided directly to
6 SWEPCO. Any service that is performed specifically for a single affiliate company,
7 including SWEPCO, is directly assigned.

8 Number of Employees (\$115,813) accounts for ~9% of the AEPSC distribution
9 services charges to SWEPCO. This allocation factor is used for distribution related
10 services that provide training to the distribution employees. In these instances, the
11 level of services varies in proportion to the number of employees at the various
12 entities receiving the services.

13 Q. HOW ARE THE REMAINING AEPSC DISTRIBUTION SERVICES COSTS
14 CHARGED TO SWEPCO?

15 A. The small amount of remaining costs (\$91,455) is allocated using a variety of
16 different allocation formulas. In each instance, however, the choice of the allocation
17 factor for a particular project or activity is the product of the same selection and
18 review process overseen by the AEPSC Accounting department and described earlier
19 in my testimony. Accordingly, these charges are likewise properly allocated based
20 upon factors that reflect principles of cost causation. Each of these allocation factors
21 is provided on W/P Frantz – 2B.

1 C. Transmission (\$8,191,366)

2 Q. WHAT SERVICES ARE PROVIDED BY THE AEPSC TRANSMISSION
3 SERVICES ORGANIZATION?

4 A. As discussed in greater detail in the testimony of SWEPCO witness Daniel Boezio,
5 the AEPSC Transmission organization operates the AEP transmission system as part
6 of its responsibility to manage the overall AEP transmission system. The
7 transmission related departments are as follows:

- 8 • Grid Development – charged with improving Transmission’s efficiency,
9 cost containment, and supporting NERC compliance.
- 10 • Transmission Field Services and Controls – responsibilities include
11 transmission field operations, maintenance, and emergency restoration of
12 the AEP transmission system. This group is charged with constructing,
13 upgrading and maintaining over 3,500 substations and approximately
14 38,000 circuit miles of transmission lines in the AEP System.
- 15 • Transmission Reliability Assurance – coordinates AEP Transmission’s
16 efforts to support the reliability of AEP’s Bulk Electric System through
17 compliance with North American Electric Reliability Corporation (NERC)
18 reliability standards, and is responsible for the conceptual development of
19 NERC controls and operational excellence initiatives, in order to support
20 process improvement efforts throughout the AEP NERC Reliability
21 Compliance program.
- 22 • Transmission Business Operations and Controls – responsible for
23 performance management, quality improvement and internal
24 communications.
- 25 • Transmission Ventures, Strategy, and Policy – responsibilities include
26 transmission asset strategy and policy, financial oversight and reporting,
27 and oversight of all transmission policy and regulatory matters.

28 Q. WHAT ALLOCATION FACTORS ARE PREDOMINATELY USED TO CHARGE
29 TRANSMISSION SERVICES TO SWEPCO?

1 A. Three allocation factors account for ~92% of the transmission services costs charged
2 to SWEPCO by AEPSC. These include “Number of Transmission Pole Miles,”
3 “Total Assets,” and “100% to One Company.”
4 Total Assets (\$6,222,385) accounts for ~76% of the AEPSC transmission charges to
5 SWEPCO. This allocation factor is used primarily for transmission services related to
6 managing and monitoring the design, construction, and operation of transmission
7 facilities, NERC compliance, training, and process improvement. In these instances,
8 the level of service varies in proportion to the size of the affiliate benefiting from the
9 service and, as such, asset size is a reasonable method to assign the cost for such
10 service.
11 Number of Transmission Pole Miles (\$685,322) accounts for ~8% of the AEPSC
12 transmission charges to SWEPCO. The services and activities allocated using this
13 factor include general support necessary to plan, operate and maintain the
14 transmission system. The level of work involved in these services is primarily
15 dependent upon the size of the transmission system. The number of pole miles is the
16 most appropriate means to allocate these charges.
17 100% to One Company (\$641,827) accounts for ~8% of the AEPSC transmission
18 charges to SWEPCO. These include costs related to managing and monitoring the
19 design, construction, and operation of transmission facilities, NERC compliance,
20 training, and process improvement provided directly to SWEPCO. Any service that is
21 performed specifically for a single affiliate company, including SWEPCO, is directly
22 assigned.

1 Q. HOW ARE THE REMAINING AEPSC TRANSMISSION SERVICES COSTS
2 CHARGED TO SWEPCO?

3 A. The small amount of remaining costs (\$641,832) is allocated using a variety of
4 different allocation formulas. In each instance, however, the choice of the allocation
5 factor for a particular project or activity is the product of the same selection and
6 review process overseen by the AEPSC Accounting department and described earlier
7 in my testimony. Accordingly, these charges are likewise properly allocated based
8 upon factors that reflect principles of cost causation. Each of these allocation factors
9 is provided on W/P Frantz – 2B.

10 D. Federal/External Affairs (\$601,957)

11 Q. WHAT SERVICES ARE PROVIDED BY THE AEPSC EXTERNAL AFFAIRS
12 ORGANIZATION?

13 A. As discussed in greater detail in the testimony of SWEPCO witness Brian Bond, the
14 AEPSC External Affairs organization provides federal government affairs support to
15 SWEPCO and the other AEP companies. The External Affairs department monitors
16 federal legislation and issues that affect the business operations of the AEP companies
17 and serves as a resource for federal officials. External Affairs also monitors and
18 participates in rulemakings and other public policy discussions at various federal
19 agencies, such as the FERC and the Department of Energy.

20 Q. WHAT ALLOCATION FACTORS ARE PREDOMINATELY USED TO CHARGE
21 EXTERNAL AFFAIRS SERVICES TO SWEPCO?

1 A. Two allocation factors account for ~91% of the external affairs services costs charged
2 to SWEPCO by AEPSC. They are "Total Assets" and "AEPSC Bill less Indir and
3 Int."

4 Total Assets (\$394,095) accounts for ~65% of the AEPSC external affairs charges to
5 SWEPCO. The majority of services provided by the External Affairs department are
6 done at the federal level on behalf of all AEP companies. As such, the costs are
7 allocated to all companies using the total asset allocation factor because the level of
8 time and effort required in providing these services, and the relative benefit, is
9 proportionate to the relative size of the company receiving these services.

10 AEPSC Bill less Indir and Int (\$153,705) accounts for ~26% of the external affairs
11 charges to SWEPCO. This allocation factor is used primarily for the AEPSC
12 donations noted in proforma adjustment #8, which is described earlier in my
13 testimony. These donations are allocated to all AEP affiliates based on the proportion
14 of the overall AEPSC bill that each AEP affiliate is billed.

15 Q. HOW ARE THE REMAINING AEPSC EXTERNAL AFFAIRS SERVICES COSTS
16 CHARGED TO SWEPCO?

17 A. The small amount of remaining costs (\$54,157) is allocated using a variety of
18 different allocation formulas. In each instance, however, the choice of the allocation
19 factor for a particular project or activity is the product of the same selection and
20 review process overseen by the AEPSC Accounting department and described earlier
21 in my testimony. Accordingly, these charges are likewise properly allocated based

1 upon factors that reflect principles of cost causation. Each of these allocation factors
2 is provided on W/P Frantz – 2B.

3 E. Regulatory (\$2,300,575)

4 Q. WHAT SERVICES ARE PROVIDED BY THE AEPSC REGULATORY
5 SERVICES ORGANIZATION?

6 A. As discussed in greater detail in the testimony of SWEPCO witness Lynn Ferry-
7 Nelson, the AEPSC Regulatory Services organization provides support services
8 related to case management, pricing and analysis, and technology business
9 development. By major section, the services provided by the Regulatory Services
10 organization are described below:

- 11 • Regulatory Case Management & Case Analysis – coordinate and manage
12 major state and federal regulatory filings.
13
- 14 • Regulated Pricing and Analysis - assist in development of state regulatory
15 filings, working closely with case managers and state regulatory directors;
16 perform cost-of-service studies and rate design analysis; and provide
17 supporting testimony.
- 18 • Regulatory Strategy – develop and inform aspects of AEP’s long-term
19 strategy, and act as primary interface between Regulatory Services and the
20 AEPSC internal business units
- 21 • RTO Policy and FERC Recovery – oversee stakeholder engagement in the
22 four RTOs that AEP participates in: PJM, SPP, MISO, and ERCOT; and
23 develop and advocate company positions, and ensure that AEP remains
24 abreast of issues affecting the company, customers, and rate design.

25 Q. WHAT ALLOCATION FACTORS ARE PREDOMINATELY USED TO CHARGE
26 REGULATORY SERVICES TO SWEPCO?

1 A. Four allocation factors account for ~95% of the Regulatory Services costs charged to
2 SWEPCO by AEPSC. They are “Total Assets,” “100% to One Company,” “Number
3 of Transmission Pole Miles,” and “Total Fixed Assets.”

4 Total Assets (\$871,462) accounts for ~38% of the AEPSC regulatory charges to
5 SWEPCO. These activities include providing overall regulatory policy and support as
6 well as rate case coordination. The total assets factor is used since the underlying
7 service provided relates to the total size of the companies to which it is being
8 provided. Further, the focus of these activities is the preservation and enhancement of
9 the value of SWEPCO’s assets, and the level of work devoted to each utility
10 benefiting from the service is generally driven by the size of its total assets.

11 Number of Transmission Pole Miles (\$536,968) accounts for ~23% of the AEPSC
12 Regulatory charges to SWEPCO. These services include regulatory support related to
13 NERC compliance. As these services relate to overall compliance within the
14 transmission organization, the number of relative transmission pole miles is the
15 appropriate factor to allocate the costs of the services provided. The level of services
16 provided, and benefit received, is in proportion to the size of each companies
17 transmission system, which the pole miles allocation factor measures.

18 100% to One Company (\$435,250) accounts for ~19% of the AEPSC regulatory
19 charges to SWEPCO. Any regulatory service provided, such as regulatory filing
20 support or a cost-of-service study, which is for the benefit of a single company, is
21 directly charged to that company.

1 Total Fixed Assets (\$345,250) accounts for ~15% of the AEPSC regulatory charges to
2 SWEPCO. These services include regulatory support related to NERC compliance.
3 The total fixed assets factor is used since the underlying service provided relates to
4 the total size of the companies to which it is being provided.

5 Q. HOW ARE THE REMAINING AEPSC REGULATORY SERVICES COSTS
6 CHARGED TO SWEPCO?

7 A. The small amount of remaining costs (\$111,645) is allocated using a variety of
8 different allocation formulas. In each instance, however, the choice of the allocation
9 factor for a particular project or activity is the product of the same selection and
10 review process overseen by the AEPSC Accounting department and described earlier
11 in my testimony. Accordingly, these charges are likewise properly allocated based
12 upon factors that reflect principles of cost causation. Each of these allocation factors
13 is provided on W/P Frantz – 2B.

14 F. Corporate Safety and Health (\$444,686)

15 Q. WHAT SERVICES ARE PROVIDED BY THE AEPSC CORPORATE SAFETY
16 AND HEALTH ORGANIZATION?

17 A. The AEPSC Corporate Safety and Health organization provides expertise in the areas
18 of occupational safety and health. The organization's responsibilities include support
19 in all areas of occupational safety and health, public and contractor safety, industrial
20 hygiene, ergonomics, health and wellness, and training.

21 Q. WHAT ALLOCATION FACTORS ARE PREDOMINATELY USED TO CHARGE
22 CORPORATE SAFETY AND HEALTH TO SWEPCO?

1 A. One allocation factor accounts for ~86% of the corporate safety and health costs
2 charged to SWEPCO by AEPSC, "Number of Employees." The services provided
3 include the safety and health services to benefit all AEP employees. Since the
4 services are directly for the benefit of employees, the relative number of employees at
5 each company is the most reasonable allocation method.

6 Q. HOW ARE THE REMAINING AEPSC CORPORATE SAFETY AND HEALTH
7 SERVICES COSTS CHARGED TO SWEPCO?

8 A. The small amount of remaining costs (\$63,025) is allocated using a variety of
9 different allocation formulas. In each instance, however, the choice of the allocation
10 factor for a particular project or activity is the product of the same selection and
11 review process overseen by the AEPSC Accounting department and described earlier
12 in my testimony. Accordingly, these charges are likewise properly allocated based
13 upon factors that reflect principles of cost causation. Each of these allocation factors
14 is provided on W/P Frantz – 2B.

15 G. Information Technology (\$15,476,237)

16 Q. WHAT SERVICES ARE PROVIDED BY THE AEPSC INFORMATION
17 TECHNOLOGY ORGANIZATION?

18 A. As discussed in greater detail in the testimony of SWEPCO witness Filipkowski, the
19 AEPSC Information Technology organization provides the AEP operating companies
20 with effective and efficient information management tools and services; thus enabling
21 the AEP operating companies to fulfill their mission of providing safe and reliable

1 electric service to their customers. The information technology related departments
2 are as follows:

- 3 • Demand Management – responsibilities include defining and maintaining
4 the portfolio and investment plans of all Information Technology solutions
5 required to run a business unit's and an operating company's operations.
6 The team also aligns business unit strategic plans with technology strategic
7 plans and managing short and long-term financial plans.
- 8 • Business Applications – responsibilities include development of software
9 to meet the generation, transmission, distribution, customer service, and
10 corporate functional needs of the company.
- 11 • Enterprise & Corporate Applications/Programs – responsible for
12 implementing a ten-year initiative to renew large corporate enterprise
13 systems, as well as application development and on-going support services
14 for all enterprise-wide application and corporate functions business needs.
- 15 • Major Projects – manages and executes large scale enterprise-wide
16 Information Technology projects and initiatives.
- 17 • Infrastructure & Operations – deploys cost-effective infrastructure
18 solutions to enable the delivery of business applications, and supports
19 platforms in AEP's primary and backup data centers. The team also
20 supports hardware and software and monitors AEP's information
21 technology infrastructure. Also responsible for defining and maintaining
22 the technology product standards of all information and operations
23 technology solutions required to run the business units and operating
24 companies.
- 25 • Processes & Methods – supports successful delivery of information
26 technology processes and projects. The team also measures and monitors
27 project delivery metrics for improvement opportunities, and manages
28 project methodologies and the enabling software applications.
- 29 • Risk Management – facilitates enterprise-wide identification and
30 mitigation of Information Technology-related risk.

31 Q. WHAT ALLOCATION FACTORS ARE PREDOMINATELY USED TO CHARGE
32 INFORMATION TECHNOLOGY SERVICES TO SWEPCO?

33 A. Ten allocation factors account for ~91% of the information technology costs charged
34 to SWEPCO by AEPSC. They are "100% to One Company," "Total Assets,"

1 “Number of Workstations,” “Number of Electric Retail Customers,” “Number of
2 Phone Center Calls”, “MW Generating Capability”, “MWH’s Generation”, “Gross
3 Utility Plant”, “Member/Peak Load”, and “Number of Employees.”

4 Total Assets (\$3,988,036) accounts for ~26% of the information technology charges
5 to SWEPCO. These activities include planning, designing, and developing new
6 systems/applications, process improvement, management/maintenance of computer
7 systems, and application systems that utilize the IT infrastructure. The total assets
8 factor is used since the underlying service provided relates to the total size of the
9 companies to which it is being provided.

10 100% to One Company (\$2,401,345) accounts for ~16% of the information
11 technology charges to SWEPCO. These information technology services are
12 primarily performed for the AEPSC departments who utilize the direct billed
13 allocation factor, which primarily was the AEPSC Customer and Distribution
14 Services.

15 Number of Workstations (\$1,717,249) accounts for ~11% of the information
16 technology charges to SWEPCO. These activities include the day-to-day
17 management of computer/application systems that utilize the IT infrastructure. The
18 number of workstations factor is used since the underlying service provided relates to
19 having a workstation to benefit from the service.

20 Number of Electric Retail Customers (\$1,536,853) accounts for ~10% of the
21 information technology charges to SWEPCO. These information technology services
22 are primarily performed for the AEPSC Customer and Distribution Services

1 organization, which commonly uses the number of electric retail customers allocation
2 factor to allocate their costs, which also include their usage of information technology
3 services.

4 MW Generating Capability (\$1,353,918) accounts for ~9% of the information
5 technology charges to SWEPCO. These information technology services are
6 primarily performed for the AEPSC Generation organization, which commonly uses
7 the MW Generating Capability allocation factor to allocate their costs, which also
8 include their usage of information technology services.

9 MWH's Generation (\$736,124) accounts for ~5% of the information technology
10 charges to SWEPCO. These information technology services are primarily performed
11 for the AEPSC Generation organization, which commonly uses the MWH's
12 Generation allocation factor to allocate their costs, which also include their usage of
13 information technology services.

14 Number of Employees (\$708,513) accounts for ~5% of the information technology
15 charges to SWEPCO. These information technology services are performed primarily
16 for the AEPSC Human Resources organization. The number of employees' allocation
17 factor is primarily used to allocate human resources services, and as such, their
18 information technology support costs are also allocated utilizing this factor.

19 Total Gross Utility Plant (\$566,539) accounts for ~4% of the information technology
20 charges to SWEPCO. These activities primarily include services provided to support
21 the work asset management system. The total gross utility plant factor is used since

1 the underlying service provided relates to the total gross size of the assets for each
2 affiliate.

3 Member/Peak Load (\$530,956) accounts for ~3% of the information technology
4 charges to SWEPCO. These information technology services are primarily performed
5 for the AEPSC Generation organization, which commonly uses the Member/Peak
6 Load allocation factor to allocate their costs, which also include their usage of
7 information technology services.

8 Number of Phone Center Calls (\$516,769) accounts for ~3% of the information
9 technology charges to SWEPCO. These information technology services are
10 primarily performed for the AEPSC Customer and Distribution Services organization,
11 which commonly uses the number of phone center calls allocation factor to allocate
12 their costs, which also include their usage of information technology services.

13 Q. HOW ARE THE REMAINING AEPSC INFORMATION TECHNOLOGY COSTS
14 CHARGED TO SWEPCO?

15 A. The remaining costs (\$1,419,935) are allocated using a variety of different allocation
16 formulas, as provided on W/P Frantz – 2B. In each instance, the choice of the
17 allocation factor for a particular project or activity is applied in the same manner as
18 the services provided by the department utilizing the information technology service.
19 Accordingly, these charges are likewise properly allocated based upon factors that
20 reflect principles of cost causation.

1 100% to One Company (\$78,754) accounts for ~14% of the telecommunications
2 charges to SWEPCO. All telecommunications services provided directly to
3 SWEPCO are directly charged.

4 Total Assets (\$62,243) accounts for ~11% of the telecommunications charges to
5 SWEPCO. These activities primarily include charges related to the SCADA system.
6 The total assets factor is used since the underlying service provided relates to the total
7 size of the companies to which it is being provided.

8 Number of Employees (\$54,407) accounts for ~10% of the telecommunications
9 charges to SWEPCO. These activities primarily include the engineering and day-to-
10 day management/maintenance of telecommunications systems. The number of
11 employees factor is used since the underlying service provided relates to the number
12 of employees that benefit from the service.

13 Q. HOW ARE THE REMAINING AEPSC TELECOMMUNICATIONS COSTS
14 CHARGED TO SWEPCO?

15 A. The remaining costs (\$36,933) are allocated using a variety of different allocation
16 formulas, as provided on W/P Frantz – 2B. In each instance, however, the choice of
17 the allocation factor for a particular project or activity is the product of the same
18 selection and review process overseen by the AEPSC Accounting department and
19 described earlier in my testimony. Accordingly, these charges are likewise properly
20 allocated based upon factors that reflect principles of cost causation. Each of these
21 allocation factors is provided on W/P Frantz – 2B.

1 I. Generation (\$10,807,420)

2 Q. WHAT SERVICES ARE PROVIDED BY THE AEPSC GENERATION
3 ORGANIZATION?

4 A. As discussed in greater detail earlier in the testimony of SWEPCO witness McMahon,
5 the AEPSC Generation organization provides expertise on operation and maintenance
6 of AEP's fleet of power plants (including SWEPCO), as well as outage planning, unit
7 dispatch management, and engineering and environmental support. The generation
8 related departments are as follows:

- 9 • Generation-Fossil and Hydro – responsibilities include the operation and
10 maintenance of the power plants in each of the operating companies
11 owned by AEP. This department provides technical assistance to the
12 power plants, administers training for power plant employees, develops
13 and maintains long-term outage planning, and assists in the development
14 of new business ventures in gas-fired and renewable generation projects.
- 15 • Engineering, Projects and Field Services – responsibilities include the
16 engineering, planning, and execution of large capital projects at the power
17 plants.
- 18 • Business Planning and Analysis – responsibilities include providing
19 financial analyses, budget and business planning, and administering
20 contracts at the corporate level.

21 Q. WHAT ALLOCATION FACTORS ARE PREDOMINATELY USED TO CHARGE
22 GENERATION SERVICES TO SWEPCO?

23 A. Two allocation factors account for ~92% of the generation services costs charged to
24 SWEPCO by AEPSC. They are "100% to One Company" and "MW Generating
25 Capability."

26 MW Generating Capability (\$5,570,057) accounts for ~52% of the generation charges
27 to SWEPCO. These services include the generation engineering planning activities as

1 well as business services related to overall generation support of existing plant
2 facilities, including preventative/corrective maintenance and plant modification
3 activities. The level of service provided to, and benefit received by, each generating
4 company is directly related to the size of the generating fleet, which is measured by
5 megawatt generating capability. A company with many large plants requires more
6 engineering support services, planning services, and financial support services than a
7 company with few plants.

8 100% to One Company (\$4,418,896) accounts for ~41% of the generation charges to
9 SWEPCO. All AEPSC generation services that relate specifically to SWEPCO power
10 plants are directly charged to SWEPCO, as is the case with generation services
11 provided to power plants of other AEP companies.

12 Q. HOW ARE THE REMAINING AEPSC GENERATION COSTS CHARGED TO
13 SWEPCO?

14 A. The remaining costs (\$818,467) are allocated using a variety of different allocation
15 formulas, as provided on W/P Frantz – 2B. In each instance, the choice of the
16 allocation factor for a particular project or activity is applied in the same manner as
17 the services provided by the department utilizing the Generation service.
18 Accordingly, these charges are likewise properly allocated based upon factors that
19 reflect principles of cost causation.

20 J. Real Estate and Workplace Services/Security & Aviation (\$4,520,785)

21 Q. WHAT SERVICES ARE PROVIDED BY THE AEPSC REAL ESTATE AND
22 WORKPLACE SERVICES ORGANIZATION?

1 A. As discussed in greater detail in the testimony of SWEPCO witness Randolph J.
2 Ware, the AEPSC Real Estate and Workplace Services organization falls into two
3 broad categories—Workplace Services and Real Estate Asset Management, as
4 follows:

- 5 • Workplace Services – responsibilities include the operation and
6 maintenance of office and service center facilities, including repairs,
7 preventative maintenance, and grounds care.
- 8 • Real Estate Asset Management – responsibilities include the purchase and
9 acquisition of land and buildings, the management of property acquisition
10 and disposal, the leasing of office space or property from others, the
11 management and maintenance of real estate records and payment of fees,
12 including management of easement grants and licensee agreements,
13 property inspections, negotiation and provision of necessary documents
14 required for the removal, relocation or closure of public roads, or other
15 facilities as may be necessary for construction of Company facilities, and
16 management of land held for future use, forestlands and other land
17 management initiatives as may be required.

18 Q. WHAT ALLOCATION FACTORS ARE PREDOMINATELY USED TO CHARGE
19 REAL ESTATE AND WORKPLACE SERVICES TO SWEPCO?

20 A. Four allocation factors account for ~80% of the real estate and workplace services
21 costs charged to SWEPCO by AEPSC. They are “Total Assets,” “100% to One
22 Company,” “MW Generating Capability and “Number of Electric Retail Customers.”
23 Total Assets (\$2,122,086) accounts for ~47% of the real estate and workplace
24 services charges to SWEPCO. These services include performing strategic planning
25 and analysis, mail handling, and printing/reproduction services. These charges also
26 include real estate and workplace services performed for the AEPSC departments who
27 utilize the total assets allocation factor. Some of these departments include Chief
28 Financial Officer, Chief Executive Officer, AEP Transmission, and Legal Services.

1 These departments utilize the total assets allocation factor when the service being
2 provided is in relation to the total financial size of the respective companies, such as
3 financial reporting services, legal matters, and overall Chairman support. The real
4 estate and workplace services that support these activities would also be appropriately
5 allocated using the total assets allocation factor.

6 100% to One Company (\$936,482) accounts for ~21% of the real estate and
7 workplace services charges to SWEPCO. These real estate and workplace services
8 are directly charged to SWEPCO.

9 MW Generating Capability (\$323,467) accounts for ~7% of the real estate and
10 workplace services charges to SWEPCO. These real estate and workplace services
11 are performed primarily for the AEPSC Generation organization. The MW
12 Generating Capability allocation factor is primarily used to allocate generation
13 services, and as such, their real estate and workplace services support costs are also
14 allocated utilizing this factor.

15 Number of Electric Retail Customers (\$249,439) accounts for ~6% of the real estate
16 and workplace services charges to SWEPCO. These real estate and workplace
17 services are performed primarily for the AEPSC Customer & Distribution Services
18 (C&DS) organization. The number of electric retail customers allocation factor is
19 primarily used to allocate C&DS services, and as such, their real estate and workplace
20 services support costs are also allocated utilizing this factor.

21 Q. HOW ARE THE REMAINING REAL ESTATE AND WORKPLACE SERVICES
22 COSTS CHARGED TO SWEPCO?

1 A. The remaining costs (\$913,853) are allocated using a variety of different allocation
2 formulas, as provided on W/P Frantz – 2B. In each instance, the choice of the
3 allocation factor for a particular project or activity is applied in the same manner as
4 the services provided by the department utilizing the real estate and workplace
5 service. Accordingly, these charges are likewise properly allocated based upon
6 factors that reflect principles of cost causation.

7 K. Human Resources (\$2,327,137)

8 Q. WHAT SERVICES ARE PROVIDED BY THE AEPSC HUMAN RESOURCES
9 ORGANIZATION?

10 A. As discussed in greater detail in the testimony of SWEPCO witness Brian Healy, the
11 AEPSC Human Resources organization's mission is to attract, retain, and support a
12 diverse and qualified workforce to facilitate the multi-faceted work responsibilities
13 required to provide utility service to our customers. The human resources related
14 departments are as follows:

- 15 • Total Rewards (Benefits & Compensation) – responsibilities include the
16 design, development, management and administration of all benefits and
17 compensation programs, including compensation, health and welfare
18 benefits, retirement pension and 401(k), payroll administration, work/life
19 balance, wellness programs, and statutory benefits.
- 20 • Employee Relations – responsibilities include providing localized strategic
21 consultation and support in all areas of employee relations.
- 22 • Talent Management – responsibilities include design, development, and
23 administration of leadership programs designed to enhance leadership,
24 team performance, and employee engagement.
- 25 • Corporate Stewardship – provides Human Resource management and
26 oversight.

1 Q. WHAT ALLOCATION FACTORS ARE PREDOMINATELY USED TO CHARGE
2 HUMAN RESOURCES SERVICES TO SWEPCO?

3 A. Three allocation factors account for ~90% of the human resources costs charged to
4 SWEPCO by AEPSC. They are “Number of Employees,” “100% to One Company,”
5 and “Total Assets.”

6 Number of Employees (\$1,734,578) accounts for ~75% of the human resources
7 charges to SWEPCO. Most of the services provided by Human Resources, such as
8 employee compensation administration, benefits administration and training services
9 are directly associated to the relative number of employees at each company. As
10 such, this allocation factor directly associates the services provided with the
11 companies receiving the benefits.

12 Total Assets (\$194,889) accounts for ~8% of the human resources charges to
13 SWEPCO. These human resources services are performed for the AEPSC
14 departments who utilize the total assets allocation factor, primarily the AEP
15 Transmission organization. This department utilizes the total assets allocation factor
16 when the service being provided is in relation to the total financial size of the
17 respective companies. The human resources services that support these activities
18 would also be appropriately allocated using the total assets allocation factor.

19 100% to One Company (\$162,969) accounts for ~7% of the Human Resources
20 charges to SWEPCO. These Human Resources services are directly charged to
21 SWEPCO.

1 Q. HOW ARE THE REMAINING AEPSC HUMAN RESOURCES COSTS
2 CHARGED TO SWEPCO?

3 A. The remaining costs (\$234,701) are allocated using a variety of different allocation
4 formulas, as provided on W/P Frantz – 2B. In each instance, the choice of the
5 allocation factor for a particular project or activity is applied in the same manner as
6 the services provided by the department utilizing the human resources service.
7 Accordingly, these charges are likewise properly allocated based upon factors that
8 reflect principles of cost causation.

9 L. Chief Financial Officer (\$9,202,558)

10 Q. WHAT SERVICES ARE PROVIDED BY THE AEPSC CHIEF FINANCIAL
11 OFFICER ORGANIZATION?

12 A. As discussed in greater detail earlier in my testimony, the AEPSC Chief Financial
13 Officer organization provides accounting, budgeting, treasury, investor relations, risk
14 and strategic initiatives services to the AEP companies.

15 Q. WHAT ALLOCATION FACTORS ARE PREDOMINATELY USED TO CHARGE
16 CHIEF FINANCIAL OFFICER SERVICES TO SWEPCO?

17 A. Three allocation factors account for approximately 53% of the CFO costs charged to
18 SWEPCO by AEPSC. They are, “Total Assets,” “100% to One Company,” and
19 “Number of General Ledger Transactions.” Another allocation factor, “AEPSC Past
20 Three Months Total Bill,” had a credit charged to SWEPCO in the test year, which
21 represented a (13%) share of the CFO costs.

1 Total Assets (\$2,842,585) accounts for ~31% of the CFO charges to SWEPCO.

2 These services include general accounting, regulatory accounting, financial reporting,
3 treasury, and corporate planning and budgeting services. The total asset allocation
4 factor is used to bill activities such as developing and updating accounting policies
5 and procedures, coordinating tax compliance, preparing regulatory schedules,
6 preparing internal and external financial statements, and preparing, monitoring, and
7 analyzing corporate budgets. The total asset allocation factor measures the size of the
8 company, and the size of the company is an accurate indication of the relative level of
9 complexity of the accounting and finance requirements. Larger companies, i.e., those
10 with greater assets, require more time and effort in the accounting, regulatory,
11 budgeting, and policy areas than smaller companies.

12 100% to One Company (\$1,165,094) accounts for ~13% of the CFO charges to
13 SWEPCO. These services include accounting, risk, and budgeting activities
14 performed directly for SWEPCO. These types of activities that are performed solely
15 for the benefit of SWEPCO are directly assigned to them.

16 Number of General Ledger Transactions (\$794,822) accounts for ~9% of the CFO
17 charges to SWEPCO. These services relate to the monthly closing of the accounting
18 books. The number of general ledger transactions is a volume-based allocation factor
19 that is a direct result of the entries made into the ledgers by the accounting staffs and
20 is the most appropriate factor to bill ledger related costs.

21 AEPSC Past Three Months Total Bill (\$-1,204,565) primarily relates to the new
22 accounting standard that started in 2018, which changed the accounting for certain

1 non-service pension and other post-retirement benefit costs. This credit to SWEPCO
2 was allocated in relation to the total usage of AEPSC services, which provided a
3 reasonable means of allocation.

4 Q. HOW ARE THE REMAINING AEPSC CFO COSTS CHARGED TO SWEPCO?

5 A. The majority of the remaining costs (\$5,604,622) relates to the ~\$3.8 million
6 pro-forma adjustment #7 noted earlier in my testimony, which is not applied to an
7 allocation factor. The remaining costs are allocated using a variety of different
8 allocation formulas. In each instance, however, the choice of the allocation factor for
9 a particular project or activity is the product of the same selection and review process
10 overseen by the AEPSC Accounting department and described earlier in my
11 testimony. Accordingly, these charges are likewise properly allocated based upon
12 factors that reflect principles of cost causation. Each of these allocation factors is
13 provided on W/P Frantz – 2B.

14 M. Chief Executive Officer (\$1,215,730)

15 Q. WHAT SERVICES ARE PROVIDED BY THE AEPSC CHIEF EXECUTIVE
16 OFFICER ORGANIZATION?

17 A. As discussed in greater detail earlier in my testimony, the AEPSC Chief Executive
18 Officer organization provides corporate leadership to all AEP companies, including
19 SWEPCO. In addition, this organization provides internal audit services to the AEP
20 companies.

21 Q. WHAT ALLOCATION FACTORS ARE PREDOMINATELY USED TO CHARGE
22 CHIEF EXECUTIVE OFFICER SERVICES TO SWEPCO?

1 A. Three allocation factors account for ~93% of the CEO costs charged to SWEPCO by
2 AEPSC. They are "Total Assets," "100% to One Company," and "Total Fixed
3 Assets."

4 Total Assets (\$716,794) accounts for ~59% of the CEO charges to SWEPCO. These
5 services include internal audit services and CEO services. The internal audit function
6 is one of corporate governance, and it is the responsibility of the Internal Audit
7 department to assure management that proper policies and procedures are in place and
8 are being followed in the entire corporation. Internal Audit uses the total assets
9 allocation factor to bill its shared costs because many of its audits and corporate
10 governance work benefits all companies, and the materiality to AEP of each
11 company's adherence to proper policies is a direct result of the size of the company.

12 The CEO is responsible for AEP and all subsidiary companies. The size of
13 the companies for which he is responsible has a direct relationship to the time and
14 effort required to manage the issues arising from those companies. Small companies,
15 with fewer assets to put at risk, do not typically have the level of risk as the larger
16 companies.

17 100% to One Company (\$213,993) accounts for ~18% of the CEO charges to
18 SWEPCO. These services primarily relate to internal audits performed specifically
19 for SWEPCO issues. As with internal audits performed specifically for other
20 companies, the costs are directly assigned.

21 Total Fixed Assets (\$201,054) accounts for ~17% of the CEO charges to SWEPCO.
22 These services primarily relate to certain CEO costs where it was determined that the

1 benefits were adequately shared between all AEP affiliates based on the overall size
2 of the affiliate's total property assets.

3 Q. HOW ARE THE REMAINING AEPSC CHIEF EXECUTIVE OFFICER COSTS
4 CHARGED TO SWEPCO?

5 A. The small amount of remaining costs (\$83,889) is allocated using a variety of
6 different allocation formulas. In each instance, however, the choice of the allocation
7 factor for a particular project or activity is the product of the same selection and
8 review process overseen by the AEPSC Accounting department and described earlier
9 in my testimony. Accordingly, these charges are likewise properly allocated based
10 upon factors that reflect principles of cost causation. Each of these allocation factors
11 is provided on W/P Frantz – 2B.

12 N. Supply Chain, Procurement and Fleet Operations (\$334,300)

13 Q. WHAT SERVICES ARE PROVIDED BY THE AEPSC SUPPLY CHAIN, FLEET
14 OPERATIONS, AND PROCUREMENT ORGANIZATION?

15 A. As discussed in greater detail earlier in my testimony, the AEPSC Supply Chain,
16 Procurement and Fleet Operations (SCPFO) organization provides supply chain and
17 transportation support services to the AEP operating companies.

18 Q. WHAT ALLOCATION FACTORS ARE PREDOMINATELY USED TO CHARGE
19 SUPPLY CHAIN, PROCUREMENT AND FLEET OPERATIONS (SCPFO)
20 SERVICES TO SWEPCO?

1 A. Three allocation factors account for ~88% of the SCPFO costs charged to SWEPCO
2 by AEPSC. They are “100% to One Company,” “Total Assets,” and “MW
3 Generating Capability.”
4 100% to One Company (\$149,194) accounts for ~45% of the SCPFO charges to
5 SWEPCO. SCPFO services provided directly on behalf of SWEPCO is directly
6 assigned based upon their usage of each type of service.
7 Total Assets (\$84,316) accounts for ~25% of the SCPFO charges to AEPSC. These
8 supply chain, fleet operations, and procurement services are performed for the
9 AEPSC departments who utilize the total assets allocation factor, such as Real Estate
10 & Workplace Services and the AEP Transmission organization. The supply chain,
11 fleet operations, and procurement services that support these activities would also be
12 appropriately allocated using the total assets allocation factor.
13 MW Generating Capability (\$60,642) accounts for ~18% of the SCPFO charges to
14 SWEPCO. These services are performed for the AEPSC departments who utilize the
15 MW Generating Capability allocation factor, primarily the Generation organization.
16 The supply chain, fleet operations, and procurement services that support these
17 activities would also be appropriately allocated using the MW Generating Capability
18 allocation factor.
19 Q. HOW ARE THE REMAINING AEPSC SCPFO COSTS CHARGED TO SWEPCO?
20 A. The remaining costs (\$40,148) are allocated using a variety of different allocation
21 formulas, as provided on W/P Frantz – 2B. In each instance, the choice of the
22 allocation factor for a particular project or activity is applied in the same manner as

1 the services provided by the department utilizing the SCPFO service. Accordingly,
2 these charges are likewise properly allocated based upon factors that reflect principles
3 of cost causation.

4 O. Legal (\$1,568,383)

5 Q. WHAT SERVICES ARE PROVIDED BY THE AEPSC LEGAL SERVICES
6 ORGANIZATION?

7 A. As discussed in greater detail in the testimony of SWEPCO witness Ferry-Nelson, the
8 AEPSC Legal Services organization provides centralized legal services to all AEP
9 companies, including SWEPCO. The legal departments are as follows:

- 10 • Litigation – responsibilities include initiating and defending various types
11 of lawsuits involving AEP companies, such as personal injury claims,
12 disputes with contractors, right-of-way disputes, injuries resulting from
13 contact with electrified facilities and employment-related arbitrations and
14 litigation. .
- 15 • Regulatory – responsibilities include handling contested case proceedings,
16 rulemakings and projects ongoing before any state or federal agency. They
17 also ensure that AEP operations, including SWEPCO, are consistent with
18 state and federal legal requirements and policies applicable to regulated
19 utilities.
- 20 • Real Estate – responsibilities include overseeing negotiations and
21 documentation required in connection with a variety of real estate
22 transactions entered into by AEP companies.
- 23 • Transactions – responsibilities include drafting, negotiating and
24 interpreting many different types of contracts that AEP must enter into in
25 the ordinary course of business, including software licenses, vendor
26 contracts, and purchase and sale agreements related to facilities.
- 27 • Commercial Operations, Fuel, Emissions and Logistics – provides support
28 for wholesale power sales and transactions within the various regional
29 transmission organizations where AEP does business, and for matters
30 involving contracts related to renewable energy, fuel, consumables,
31 emissions, rail and other transportation.
- 32 • Finance and Compliance – responsibilities include all corporate
33 financings, overseeing the preparation of SEC reports required by federal

1 law and regulations, such as Forms 10-K, 10-Q and 8-K, and ensuring that
2 financial activities are in compliance with the corporate charter, by-laws,
3 and state corporate laws.

4 • Tax and Corporate Services – responsibilities include advising AEP
5 companies on all aspects of state, local and federal taxation. They also do
6 pension-related Employee Retirement Income Security Act and
7 compliance work and handle legal matters related to the drafting and
8 administration of employee health, welfare and benefit plans.

9 • Environmental, Safety & Health – responsibilities include the provision of
10 legal services to AEP companies, including SWEPCO, related to
11 environmental, health and safety issues.

12 Q. WHAT ALLOCATION FACTORS ARE PREDOMINATELY USED TO CHARGE
13 LEGAL SERVICES TO SWEPCO?

14 A. Four allocation factors account for ~82% of the legal services costs charged to
15 SWEPCO by AEPSC. They are “Total Assets,” “100% to One Company,” “Number
16 of Employees,” and “Total Fixed Assets.”

17 Total Assets (\$491,982) accounts for ~31% of the legal services charges to SWEPCO.

18 These services relate to the management and participation in regulatory affairs,
19 strategic planning and analysis, and process improvement efforts. The benefits from
20 the provision of these services are directly related to the relative size of the respective
21 companies.

22 100% to One Company (\$378,939) accounts for ~24% of the legal services charges to
23 SWEPCO. These services relate to any type of legal matter involving only SWEPCO.

24 Legal support for regulatory filings specific to SWEPCO and real estate matters
25 involving SWEPCO facilities would be directly charged.

26 Number of Employees (\$211,439) accounts for ~13% of the legal services charges to
27 SWEPCO. These services relate to variety of legal matters, some of which involve

1 labor and employment issues, the development and administration of AEP benefit
2 plans, code of conduct, and participation in training. These types of services are
3 appropriately allocated in this manner because they are directly related to the number
4 of employees at each company.

5 Total Fixed Assets (\$204,373) accounts for ~13% of the legal services charges to
6 SWEPCO. These services primarily include legal support of issues involving liability
7 claims. Since these activities are in support of AEP assets, the total fixed assets
8 allocation factor is the appropriate choice to allocate these costs.

9 Q. HOW ARE THE REMAINING AEPSC LEGAL SERVICES COSTS CHARGED
10 TO SWEPCO?

11 A. The small amount of remaining costs (\$281,650) is allocated using a variety of
12 different allocation formulas. In each instance, however, the choice of the allocation
13 factor for a particular project or activity is the product of the same selection and
14 review process overseen by the AEPSC Accounting department and described earlier
15 in my testimony. Accordingly, these charges are likewise properly allocated based
16 upon factors that reflect principles of cost causation. Each of these allocation factors
17 is provided on W/P Frantz – 2B.

18 P. Physical/Cyber Security (\$1,181,971)

19 Q. WHAT SERVICES ARE PROVIDED BY THE AEPSC PHYSICAL SECURITY
20 ORGANIZATION?

21 A. As discussed in greater detail in the testimony of SWEPCO witness Stephen L.
22 Swick, the AEPSC Physical Security organization continually takes steps to enhance

1 the AEP System's capabilities for identifying risks and threats. Some of the services
2 it provides include the following:

- 3 • 24x7x365 Monitoring – AEP operates a dedicated 24x7x365 Cyber
4 Security Intelligence and Response Center and a dedicated Physical
5 Security Operations Center responsible for monitoring the AEP System for
6 threats as well as collaborating with internal and external threat sharing
7 partners from both industry and government.
- 8 • Industry Collaboration – AEP is a member of a number of industry
9 specific threat and information sharing communities including the
10 Department of Homeland Security and the Electricity Information Sharing
11 and Analysis Center.
- 12 • Enterprise Risk – AEP incorporated a new enterprise risk management
13 framework, which provides a more comprehensive approach to
14 understanding these risks in relation to other enterprise risks.
- 15 • Technology – AEP leverages advanced technologies to monitor and
16 respond to Cyber and Physical threats.

17 Q. WHAT ALLOCATION FACTORS ARE PREDOMINATELY USED TO CHARGE
18 PHYSICAL SECURITY SERVICES TO SWEPCO?

19 A. Three allocation factors account for ~85% of the physical security costs charged to
20 SWEPCO by AEPSC. They are "Total Gross Utility Plant," "Number of
21 Workstations," and "Number of Employees."

22 Total Gross Utility Plant (\$580,140) accounts for ~49% of the physical security
23 charges to SWEPCO. These services primarily relate to cyber security services. The
24 benefits from the provision of these services are directly related to the relative size of
25 the assets of the respective companies.

26 Number of Workstations (\$308,420) accounts for ~26% of the physical security
27 charges to SWEPCO. These services relate to Information Technology security costs,

1 which are appropriately allocated in this manner because they are related to the
2 number of workstations at each company.

3 Number of Employees (\$119,751) accounts for ~10% of the physical security charges
4 to SWEPCO. These services primarily relate to corporate stewardship security
5 services. These types of services are appropriately allocated in this manner because
6 they are directly related to the number of employees at each company.

7 Q. HOW ARE THE REMAINING AEPSC PHYSICAL SECURITY COSTS
8 CHARGED TO SWEPCO?

9 A. The small amount of remaining costs (\$173,660) is allocated using a variety of
10 different allocation formulas. In each instance, however, the choice of the allocation
11 factor for a particular project or activity is the product of the same selection and
12 review process overseen by the AEPSC Accounting department and described earlier
13 in my testimony. Accordingly, these charges are likewise properly allocated based
14 upon factors that reflect principles of cost causation. Each of these allocation factors
15 is provided on W/P Frantz – 2B.

16 Q. Corporate Communications (\$661,139)

17 Q. WHAT SERVICES ARE PROVIDED BY THE AEPSC CORPORATE
18 COMMUNICATIONS ORGANIZATION?

19 A. As discussed in greater detail in the testimony of SWEPCO witness Bond, the
20 AEPSC Corporate Communications organization provides services that relate to the
21 support and facilitation of communications between AEP and its many internal and

1 external constituencies. The corporate communications related departments are as
2 follows:

- 3 • Internal Communications & Communications Services – responsibilities
4 include researching, writing and disseminating information relevant to
5 employees and serving as the primary communications liaison with the
6 corporate Human Resources department. Responsibilities also include
7 using AEP's email system to send corporate messages to employees, and
8 for developing and maintaining AEP Now, the AEP corporate intranet,
9 which provides all employees with company information, safety and
10 technical training, senior executive communication and other related
11 information.
- 12 • Creative Services – responsibilities include serving as an in-house
13 production agency, web and application development, researching and
14 developing emerging electronic communications technology, and
15 maintaining the repository of the corporate accountability report and other
16 important company messages for investors and other stakeholders.
- 17 • Community Relations and Marketing – responsibilities include oversight
18 of corporate philanthropic contributions, including the grants
19 administration for the AEP Foundation; coordinates administration of
20 database to process and track contribution and membership payments to
21 organizations; and develops advertising campaigns and handles
22 advertising scholarships.
- 23 • External Communications – responsibilities include support in responding
24 to media inquiries with AEP's position on national and corporate issues.
25 Group is also responsible for developing and maintaining AEP.COM,
26 AEP's website, and major elements of SWEPCO.COM, the website
27 specific to SWEPCO.

28 Q. WHAT ALLOCATION FACTORS ARE PREDOMINATELY USED TO CHARGE
29 CORPORATE COMMUNICATIONS SERVICES TO SWEPCO?

30 A. One allocation factor, "Total Assets," accounts for ~94% of the corporate
31 communications costs charged to SWEPCO by AEPSC.

32 Total Assets (\$624,418) services include support for requests for video and
33 photographic services; manage and participate in various forms of communications
34 with employees; and external communications. Total assets is a reasonable and

1 appropriate allocation factor because these activities involve ensuring that correct
2 information is provided regarding the company's status and actions.

3 Q. HOW ARE THE REMAINING AEPSC CORPORATE COMMUNICATIONS
4 COSTS CHARGED TO SWEPCO?

5 A. The small amount of remaining costs (\$36,721) is allocated using a variety of
6 different allocation formulas. In each instance, however, the choice of the allocation
7 factor for a particular project or activity is the product of the same selection and
8 review process overseen by the AEPSC Accounting department and described earlier
9 in my testimony. Accordingly, these charges are likewise properly allocated based
10 upon factors that reflect principles of cost causation. Each of these allocation factors
11 is provided on W/P Frantz – 2B.

12 R. Environmental Services (\$4,003,363)

13 Q. WHAT SERVICES ARE PROVIDED BY THE AEPSC ENVIRONMENTAL
14 SERVICES ORGANIZATION?

15 A. As discussed in greater detail in the testimony of SWEPCO witness Bond, the
16 AEPSC Environmental Services organization provides expertise in the areas of
17 environmental compliance. Some of the environmental related departments are as
18 follows:

- 19 • Air Quality Services, Water & Ecological Resource Services, and Land
20 Environment & Remediation Service – responsibilities include preparing
21 and submitting applications to obtain environmental permits, providing
22 guidance and training for operations staff regarding compliance with
23 permits and overall regulations, reporting and cleanup of spills, conducting
24 site inspections, and arranging for disposal of solid wastes.

- 1 • Dolan Chemical Laboratory – responsibilities include providing analytical
2 services for compliance sample analysis and to help resolve problems of a
3 chemical or physical nature that occur at operations facilities, including
4 generating plants and distribution and transmission operations.
- 5 • Environmental Management Systems – develops standardized processes
6 and applications to support environmental compliance activities. This
7 group also leads continuous improvement initiatives and provide
8 environmental training development.

9 Q. WHAT ALLOCATION FACTORS ARE PREDOMINATELY USED TO CHARGE
10 ENVIRONMENTAL SERVICES TO SWEPCO?

11 A. Two allocation factors account for ~93% of the environmental services costs charged
12 to SWEPCO by AEPSC. They are “MW Generating Capability” and “100% to One
13 Company.”

14 MW Generating Capability (\$2,647,077) accounts for ~66% of the environmental
15 charges to SWEPCO. Services provided include oversight of water, air and waste
16 compliance on behalf of the AEP generating facilities. These services are provided
17 for the benefit of the AEP generation companies, and the costs and benefits are
18 directly in proportion to the level of generation capacity at each facility.

19 100% to One Company (\$1,075,134) accounts for ~27% of the environmental charges
20 to SWEPCO. All environmental services provided directly to SWEPCO facilities are
21 directly charged.

22 Q. HOW ARE THE REMAINING AEPSC ENVIRONMENTAL SERVICES COSTS
23 CHARGED TO SWEPCO?

24 A. The small amount of remaining costs (\$281,152) is allocated using a variety of
25 different allocation formulas. In each instance, however, the choice of the allocation
26 factor for a particular project or activity is the product of the same selection and

1 review process overseen by the AEPSC Accounting department and described earlier
2 in my testimony. Accordingly, these charges are likewise properly allocated based
3 upon factors that reflect principles of cost causation. Each of these allocation factors
4 is provided on W/P Frantz – 2B.

5 S. Regulated Commercial Operations (\$3,555,269)

6 Q. WHAT SERVICES ARE PROVIDED BY THE AEPSC COMMERCIAL
7 OPERATIONS ORGANIZATION?

8 A. As discussed in greater detail in the testimony of SWEPCO witness Scott E. Mertz,
9 the AEPSC Commercial Operations organization coordinates the dispatch of AEP's
10 generation fleet and engages in bulk power activity, first to economically supply AEP
11 operating companies (including SWEPCO) customers' native load requirements in
12 the least cost manner, and then to produce off-system sales.

13 Q. WHAT ALLOCATION FACTORS ARE PREDOMINATELY USED TO CHARGE
14 COMMERCIAL OPERATIONS SERVICES TO SWEPCO?

15 A. Three allocation factors account for ~93% of the environmental services costs
16 charged to SWEPCO by AEPSC. They are "Member/Peak Load," "MW Generating
17 Capability," and "MWH's Generation,"

18 Member/Peak Load (\$2,013,354) accounts for ~57% of the commercial operations
19 charges to SWEPCO. These services include optimization, settlement, analysis, and
20 financial support services involved in the power marketing function. These services
21 are in support of the operating and integration agreements discussed by Mr. Mertz and
22 are allocated in the same manner as the power sold under these agreements. The

1 services are assigned to the appropriate zone, "East" or "West", and then allocated
2 among the participants in that zone using the peak load allocation factor. SWEPCO
3 and PSO are in the "West" zone. The use of this method ensures that the services
4 provided are allocated in the same manner as the marketed power.

5 MWH's Generation (\$977,357) accounts for ~28% of the commercial operations
6 charges to SWEPCO. These services include the dispatching of generation to the
7 AEP companies, including SWEPCO, and coordinating with the wholesale
8 energy/RTO markets on behalf of AEP's generation fleet. The relative level of
9 service provided, and benefits received, is in direct relation to the level of power
10 generated by each AEP power plant. As such, the megawatt hours generated factor is
11 the most appropriate factor to allocate these services to the AEP companies.

12 MW Generating Capability (\$285,677) accounts for ~8% of the commercial
13 operations charges to SWEPCO. These services are provided for the benefit of the
14 AEP generation companies, and the costs and benefits are directly in proportion to the
15 level of generation capacity at each facility.

16 Q. HOW ARE THE REMAINING AEPSC COMMERCIAL OPERATIONS
17 SERVICES COSTS CHARGED TO SWEPCO?

18 A. The small amount of remaining costs (\$278,881) is allocated using a variety of
19 different allocation formulas. In each instance, however, the choice of the allocation
20 factor for a particular project or activity is the product of the same selection and
21 review process overseen by the AEPSC Accounting department and described earlier
22 in my testimony. Accordingly, these charges are likewise properly allocated based

1 upon factors that reflect principles of cost causation. Each of these allocation factors
2 is provided on W/P Frantz – 2B.

3 T. Fuel Procurement (\$309,794)

4 Q. WHAT SERVICES ARE PROVIDED BY THE AEPSC FUEL PROCUREMENT
5 ORGANIZATION?

6 A. As discussed in greater detail in the testimony of SWEPCO witness Amy E. Jeffries,
7 the AEPSC Fuel Procurement organization performs the following services to provide
8 a reliable supply of fuel at the lowest reasonable cost: procurement, contract
9 negotiation, fuel scheduling/delivery, and inventory management.

10 Q. WHAT ALLOCATION FACTORS ARE PREDOMINATELY USED TO CHARGE
11 FUEL PROCUREMENT SERVICES TO SWEPCO?

12 A. One allocation factor accounts for ~99% of the fuel procurement costs charged to
13 SWEPCO by AEPSC, “100% to One Company.” These services include activities
14 such as coordinating fuel delivery to SWEPCO generation facilities. All fuel
15 procurement services provided directly to SWEPCO plants, as with all other AEP
16 companies, are directly charged.

17 Q. HOW ARE THE REMAINING AEPSC FUEL PROCUREMENT SERVICES
18 COSTS CHARGED TO SWEPCO?

19 A. The small amount of remaining costs (\$4,443) is allocated using a variety of different
20 allocation formulas. In each instance, however, the choice of the allocation factor for
21 a particular project or activity is the product of the same selection and review process
22 overseen by the AEPSC Accounting department and described earlier in my

1 testimony. Accordingly, these charges are likewise properly allocated based upon
2 factors that reflect principles of cost causation. Each of these allocation factors is
3 provided on W/P Frantz – 2B.

4 Q. DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?

5 A. Yes, it does.

Southwestern Electric Power Company
Affiliate Expenses by FERC Account
AEPSC Billings to SWEPCO
For the Test Year Ended March 31, 2020

By Class of Service Listed In Each Column

		(a)	(b)	(c)	(d)	(e)	(f)	(g)
Line	FERC Account	Customer Service	Distribution	Transmission	Federal & External Affairs	Regulatory	Corporate Safety & Health	Information Technology
1	4261 - Donations							
2	4264 - Civic & Political Activities							
3	4265 - Other Deductions							
4	5000 - Oper Supervision & Engineering	2,864	34	16,228	1,142	415	1,159	858,782
5	5010 - Fuel	-	-	364	-	-	1,651	67,428
6	5020 - Steam Expenses	-	-	4,126	-	-	-	13,171
7	5050 - Electric Expenses	-	-	-	-	-	-	345
8	5060 - Misc Steam Power Expenses	(3)	4,091	16,552	-	184,147	-	65,359
9	5070 - Rents	-	-	-	-	-	-	-
10	5100 - Maint Supv & Engineering	-	2	3	-	-	-	25,796
11	5110 - Maintenance of Structures	-	-	154	-	-	-	36,428
12	5120 - Maintenance of Boiler Plant	-	-	990	-	-	-	89,043
13	5130 - Maintenance of Electric Plant	-	-	3,021	-	-	-	24,973
14	5140 - Maintenance of Misc Steam Pit	-	-	779	-	-	-	7,447
15	5170 - Oper Supervision & Engineering	-	-	-	-	-	-	-
16	5200 - Steam Expenses	-	-	51	-	-	-	-
17	5240 - Misc Nuclear Power Expenses	-	-	-	-	-	-	1,735
18	5280 - Maint Supv & Engineering	-	-	-	-	-	-	538
19	5290 - Maintenance of Structures	-	-	-	-	-	-	22
20	5300 - Maint of Reactor Plant Equip	-	-	-	-	-	-	29
21	5310 - Maintenance of Electric Plant	-	-	-	-	-	-	1
22	5320 - Maint of Misc Nuclear Plant	-	-	-	-	-	-	-
23	5350 - Oper Supervision & Engineering	-	-	-	-	-	-	381
24	5370 - Hydraulic Expenses	-	-	-	-	-	-	33
25	5390 - Misc Hydr Power Generation Exp	-	-	(6)	-	-	-	410
26	5420 - Maintenance of Structures	-	-	-	-	-	-	-
27	5430 - Maint Reservoirs,Dams&Wtrways	-	-	-	-	-	-	-
28	5440 - Maintenance of Electric Plant	-	-	-	-	-	-	-
29	5450 - Maint of Misc Hydraulic Plant	-	-	-	-	-	-	152
30	5460 - Oper Supervision & Engineering	-	-	-	-	-	-	-
31	5470 - Fuel	-	-	-	-	-	-	-
32	5490 - Misc Other Pwr Generation Exp	-	-	-	-	-	-	-
33	5510 - Maint Supv & Engineering	-	-	-	-	-	-	(24)
34	5530 - Maintenance of Generating Pit	-	-	-	-	-	-	944
35	5550 - Purchased Power	-	-	-	-	-	-	-
36	5580 - Sys Control & Load Dispatching	-	-	58	-	11,634	-	117,604
37	5570 - Other Expenses	-	-	5,231	-	96,056	-	279,710
38	5600 - Oper Supervision & Engineering	105	90,570	5,121,308	(34)	109,132	5,290	636,280
39	5612 - Load Dispatch-Mintr&Op TransSys	-	-	720,671	-	-	-	95,507
40	5613 - Load Dispatch-Trans Svc&Sched	-	-	(6,131)	-	-	-	-
41	5615 - Reliability,Plng&Stds Develop	-	-	168,695	-	-	-	22,636
42	5620 - Station Expenses	-	-	2,787	-	-	-	979
43	5630 - Overhead Line Expenses	-	-	39,004	-	-	-	1,831
44	5640 - Underground Line Expenses	-	-	(19)	-	-	-	-
45	5660 - Misc Transmission Expenses	-	10,149	1,083,975	(43)	399,554	7,008	111,948
46	5670 - Rents	-	-	92	-	-	-	14
47	5680 - Maint Supv & Engineering	85	51	6,702	-	-	-	886
48	5690 - Maintenance of Structures	-	-	75	-	-	-	4
49	5691 - Maint of Computer Hardware	-	-	6,629	-	-	-	766
50	5692 - Maint of Computer Software	43	(83)	170,075	-	-	-	62,213
51	5693 - Maint of Communication Equip	-	-	63	-	-	-	-
52	5700 - Maint of Station Equipment	-	-	153,352	-	-	-	20,084
53	5710 - Maintenance of Overhead Lines	1	-	18,069	-	-	-	2,658
54	5720 - Maint of Underground Lines	-	-	(120)	-	-	-	-
55	5730 - Maint of Misc Trnsmission Pit	-	-	10,144	-	-	65	119
56	5800 - Oper Supervision & Engineering	31,891	551,229	47,588	-	-	-	154,665
57	5820 - Station Expenses	-	1,648	67,513	-	-	-	6,756
58	5830 - Overhead Line Expenses	-	-	(34)	-	-	-	72
59	5840 - Underground Line Expenses	-	9,103	-	-	-	-	1,910
60	5860 - Meter Expenses	81,364	5,1562	2,028	-	-	-	28,260
61	5880 - Miscellaneous Distribution Exp	493,601	323,681	162,152	-	3,412	3,419	176,638
62	5890 - Rents	-	-	-	-	-	-	-
63	5900 - Maint Supv & Engineering	-	5,633	294	-	-	-	1,195
64	5910 - Maintenance of Structures	-	-	800	-	-	-	-
65	5920 - Maint of Station Equipment	-	-	67,570	-	-	11,996	7,994
66	5930 - Maintenance of Overhead Lines	0	8,155	24,600	-	-	-	7,410
67	5940 - Maint of Underground Lines	-	-	(2)	-	-	-	-
68	5960 - Maint of Strt Lighting & Signal S	-	-	(0)	-	-	-	-
69	5970 - Maintenance of Meters	242	-	-	-	-	-	54
70	5980 - Maint of Misc Distribution Pit	-	-	33	-	-	-	-
71	9010 - Supervision - Customer Accts	55,763	150	267	-	-	-	13,662
72	9020 - Meter Reading Expenses	100,310	126	-	-	-	-	19,352
73	9030 - Cust Records & Collection Exp	9,225,704	13,605	1,830	-	10	-	1,865,949
74	9050 - Misc Customer Accounts Exp	21,925	-	-	-	-	-	2,946
75	9070 - Supervision - Customer Service	100,271	425	86	-	-	-	25,379
76	9080 - Customer Assistance Expenses	62,657	-	-	-	-	-	4,500
77	9090 - Information & Instruct Advrtis	-	-	-	-	-	-	-
78	9100 - Misc Cust Svc&Informational Ex	1	-	-	-	-	-	19,275
79	9110 - Supervision - Sales Expenses	-	(3)	-	-	-	-	2,163
80	9120 - Demonstrating & Selling Exp	131,449	-	126	-	-	-	138
81	9200 - Administrative & Gen Salaries	697,365	204,763	212,555	183,294	1,299,278	339,662	6,555,387
82	9210 - Office Supplies and Expenses	12,219	19,143	34,489	22,978	47,995	40,959	119,257
83	9220 - Administrative Exp Trnsf - Cr	-	0	-	-	-	-	-
84	9230 - Outside Services Employed	248,722	7,526	109,852	33,320	76,653	22,309	1,932,206
85	9240 - Property Insurance	-	924	-	-	-	-	-
86	9250 - Injuries and Damages	-	-	-	-	-	12,252	1,131
87	9260 - Employee Pensions & Benefits	109	76	3,238	-	-	6,447	5,072
88	9280 - Regulatory Commission Exp	1,319	-	3,273	-	515,425	-	95,152
89	9301 - General Advertising Expenses	14,969	-	524	-	-	-	148
90	9302 - Misc General Expenses	98,493	744	87,244	266,807	855	-	15,946
91	9310 - Rents	726	4	123	-	-	-	-
92	9350 - Maintenance of General Plant	40,585	7,136	12,369	-	4,603	-	1,986,806
93	Grand Total	11,422,770	1,310,745	8,401,439	507,484	2,749,170	452,217	15,595,855
94	Pro-Forma Adjustments from BJF-2A	(\$29,937)	(\$9,296)	(\$210,072)	\$94,493	(\$448,595)	(\$7,531)	(\$119,618)
95	Cost of Service	\$11,392,833	\$1,301,449	\$8,191,366	\$601,957	\$2,300,575	\$444,686	\$15,476,237

Southwestern Electric Power Company
Affiliate Expenses by FERC Account
AEPSC Billings to SWEPCO
For the Test Year Ended March 31, 2020

By Class of Service Listed in Each Column

		(h)	(i)	(j)	(k)	(l)	(m)	(n)
		Telecommunications	Generation	Real Estate & Workplace Services	Human Resources	Chief Financial Officer	Chief Executive Officer	Legal
Line	FERC Account							
1	4261 - Donations							
2	4264 - Civic & Political Activities							
3	4265 - Other Deductions							
4	5000 - Oper Supervision & Engineering	140	8,079,187	379,503	68,104	114,636	10,209	3,034
5	5010 - Fuel	-	43,993	24,753	4,452	5,198	-	-
6	5020 - Steam Expenses	-	16,700	2,512	998	4,734	-	-
7	5050 - Electric Expenses	367	3,349	124	27	-	-	-
8	5060 - Misc Steam Power Expenses	17,345	257,151	26,923	4,497	28,335	-	-
9	5070 - Rents	-	-	3,339	-	-	-	-
10	5100 - Maint Supv & Engineering	19	214,899	11,478	2,248	-	-	-
11	5110 - Maintenance of Structures	-	454,914	2,871	3,835	-	-	-
12	5120 - Maintenance of Boiler Plant	(10)	1,078,321	7,528	9,693	-	-	-
13	5130 - Maintenance of Electric Plant	(4)	308,037	2,255	2,778	-	-	-
14	5140 - Maintenance of Misc Steam Plt	-	89,343	817	747	-	-	-
15	5170 - Oper Supervision & Engineering	-	(33)	-	-	-	-	-
16	5200 - Steam Expenses	-	-	-	-	-	-	-
17	5240 - Misc Nuclear Power Expenses	-	(129)	-	-	64	-	-
18	5280 - Maint Supv & Engineering	-	4,229	138	38	-	(172)	-
19	5290 - Maintenance of Structures	-	274	1	2	-	-	-
20	5300 - Maint of Reactor Plant Equip	-	-	9	2	-	-	-
21	5310 - Maintenance of Electric Plant	-	254	0	0	-	-	-
22	5320 - Maint of Misc Nuclear Plant	-	-	-	-	-	-	-
23	5350 - Oper Supervision & Engineering	-	2,360	191	30	-	-	-
24	5370 - Hydraulic Expenses	-	983	24	3	-	-	-
25	5390 - Misc Hydr Power Generation Exp	-	4,532	21	32	-	-	(19)
26	5420 - Maintenance of Structures	-	299	-	-	-	-	-
27	5430 - Maint Rsvrs,Dams&Wtrways	-	(59)	-	-	-	-	-
28	5440 - Maintenance of Electric Plant	-	(547)	-	-	-	-	-
29	5450 - Maint of Misc Hydraulic Plant	-	-	849	9	-	-	-
30	5460 - Oper Supervision & Engineering	-	(556)	-	-	-	-	-
31	5470 - Fuel	-	-	-	-	-	-	-
32	5490 - Misc Other Pwr Generation Exp	-	6,171	-	-	-	-	-
33	5510 - Maint Supv & Engineering	-	-	(5)	(2)	-	-	-
34	5530 - Maintenance of Generating Plt	-	9,249	275	89	-	-	-
35	5550 - Purchased Power	-	(3)	-	-	-	-	-
36	5560 - Sys Control & Load Dispatching	-	-	21,932	8,191	-	-	-
37	5570 - Other Expenses	-	7,721	66,946	18,357	218,367	-	9,941
38	5600 - Oper Supervision & Engineering	333	29,881	360,027	41,948	9,170	299	830
39	5612 - Load Dispatch-Mnt&Op TransSys	-	-	99,130	6,616	-	-	-
40	5613 - Load Dispatch-Trans Svcs&Sched	-	-	-	-	-	-	-
41	5615 - Reliability Ping&Sids Develop	103	-	21,980	1,573	-	-	-
42	5620 - Station Expenses	2,724	-	321	57	-	-	-
43	5630 - Overhead Line Expenses	5	-	770	128	-	-	-
44	5640 - Underground Line Expenses	-	-	-	-	-	-	-
45	5660 - Misc Transmission Expenses	852	5,588	73,482	7,943	246,997	-	1
46	5670 - Rents	-	-	7	1	-	-	-
47	5680 - Maint Supv & Engineering	-	(11)	555	59	-	-	-
48	5690 - Maintenance of Structures	-	-	8	0	-	-	-
49	5691 - Maint of Computer Hardware	-	-	1,126	61	-	-	-
50	5692 - Maint of Computer Software	1,359	-	8,108	961	10,374	-	-
51	5693 - Maint of Communication Equip	-	-	-	-	-	-	-
52	5700 - Maint of Station Equipment	451	-	10,173	1,376	-	-	-
53	5710 - Maintenance of Overhead Lines	136	-	1,214	158	-	-	-
54	5720 - Maint of Underground Lines	-	-	-	-	-	-	-
55	5730 - Maint of Misc Trnsmssion Plt	-	-	51	9	-	-	-
56	5800 - Oper Supervision & Engineering	(0)	52	85,083	7,654	39,793	350	-
57	5820 - Station Expenses	-	-	11,719	467	-	-	-
58	5830 - Overhead Line Expenses	250	193	21	4	-	-	8
59	5840 - Underground Line Expenses	-	-	1,151	89	-	-	-
60	5860 - Meter Expenses	119	-	9,598	1,505	-	-	-
61	5880 - Miscellaneous Distribution Exp	93,012	11,279	62,734	9,174	130,605	-	149
62	5890 - Rents	-	-	17,807	-	-	-	-
63	5900 - Maint Supv & Engineering	-	-	706	56	-	-	-
64	5910 - Maintenance of Structures	-	-	-	-	-	-	-
65	5920 - Maint of Station Equipment	(16)	-	2,916	547	-	-	-
66	5930 - Maintenance of Overhead Lines	(0)	24	3,486	312	-	-	8
67	5940 - Maint of Underground Lines	-	472	-	-	-	-	-
68	5960 - Maint of Strt Lghtng & Sgnal S	-	-	-	-	-	-	-
69	5970 - Maintenance of Meters	-	-	11	3	-	-	-
70	5980 - Maint of Misc Distribution Plt	-	-	-	-	-	-	-
71	9010 - Supervision - Customer Accts	-	-	2,940	845	-	-	-
72	9020 - Meter Reading Expenses	-	-	4,987	1,148	11	-	-
73	9030 - Cust Records & Collection Exp	-	-	453,802	126,265	14,831	-	-
74	9050 - Misc Customer Accounts Exp	-	-	-	939	-	-	-
75	9070 - Supervision - Customer Service	-	-	4,071	1,077	-	-	-
76	9080 - Customer Assistance Expenses	-	-	1,845	388	-	-	-
77	9090 - Information & Instruct Advrtis	-	-	-	-	-	-	-
78	9100 - Misc Cust Svc&Informational Ex	-	753	2,566	332	-	-	41
79	9110 - Supervision - Sales Expenses	-	-	-	-	-	-	-
80	9120 - Demonstrating & Selling Exp	-	-	77	14	997	-	-
81	9200 - Administrative & Gen Salaries	37,314	268,042	2,208,179	1,763,882	4,521,579	888,655	1,354,117
82	9210 - Office Supplies and Expenses	162,482	45,407	130,664	29,741	(1,562)	41,358	25,861
83	9220 - Administrative Exp Trnsf - Cr	-	-	-	-	-	-	-
84	9230 - Outside Services Employed	386	44,377	310,446	192,065	(728,764)	276,327	174,299
85	9240 - Property Insurance	164	231	212	-	-	-	-
86	9250 - Injuries and Damages	-	-	463	79	3	-	6,406
87	9260 - Employee Pensions & Benefits	-	3,332	1,419	6,049	2,355	450	17
88	9280 - Regulatory Commission Exp	22	4,272	49,546	55,559	617,511	(88)	55,155
89	9301 - General Advertising Expenses	-	-	8	3	-	-	-
90	9302 - Misc General Expenses	3,195	4,981	33,663	1,776	76,209	10,156	54
91	9310 - Rents	20,406	13,755	18,038	1	40	-	-
92	9350 - Maintenance of General Plant	218,446	106	29,289	2,012	94,032	(0)	-
93	Grand Total	559,601	11,034,371	4,577,820	2,386,327	5,405,515	1,227,545	1,629,901
94	Pro-Forma Adjustments from BJF-2A	(\$3,207)	(\$226,950)	(\$57,035)	(\$59,190)	\$3,797,044	(\$11,815)	(\$61,518)
95	Cost of Service	\$556,394	\$10,807,420	\$4,520,785	\$2,327,137	\$9,202,558	\$1,215,730	\$1,568,383

Southwestern Electric Power Company
Affiliate Expenses by FERC Account
AEPSC Billings to SWEPCO
For the Test Year Ended March 31, 2020

Line	FERC Account	(o) Physical & Cyber Security	(p) Corporate Communications	(q) Environmental Services	(r) Regulated Commercial Operations	(s) Fuel Procurement	(t) Supply Chain & Fleet
1	4261 - Donations						
2	4264 - Civic & Political Activities						
3	4265 - Other Deductions						
4	5000 - Oper Supervision & Engineering	18,171	243	2,731,714	176,756	371	320,465
5	5010 - Fuel	-	-	221,920	210,297	204,663	12,424
6	5020 - Steam Expenses	-	-	-	210	103,305	1,038
7	5050 - Electric Expenses	-	-	-	-	-	137
8	5060 - Misc Steam Power Expenses	3,378	-	23,772	624	-	11,048
9	5070 - Rents	-	-	-	-	-	-
10	5100 - Maint Supv & Engineering	-	1,623	25	-	-	1,756
11	5110 - Maintenance of Structures	-	-	(3)	-	-	22,812
12	5120 - Maintenance of Boiler Plant	-	-	-	-	-	40,455
13	5130 - Maintenance of Electric Plant	-	-	-	-	-	8,381
14	5140 - Maintenance of Misc Steam Plt	230	-	(32)	-	-	3,504
15	5170 - Oper Supervision & Engineering	-	-	13	-	-	-
16	5200 - Steam Expenses	-	-	-	-	-	-
17	5240 - Misc Nuclear Power Expenses	-	-	-	-	-	-
18	5260 - Maint Supv & Engineering	-	-	-	-	-	307
19	5290 - Maintenance of Structures	-	-	-	-	-	11
20	5300 - Maint of Reactor Plant Equip	-	-	-	-	-	(0)
21	5310 - Maintenance of Electric Plant	-	-	-	-	-	-
22	5320 - Maint of Misc Nuclear Plant	582	-	-	-	-	-
23	5350 - Oper Supervision & Engineering	-	-	1,266	-	-	22
24	5370 - Hydraulic Expenses	-	-	-	-	-	-
25	5390 - Misc Hydr Power Generation Exp	-	-	-	-	-	177
26	5420 - Maintenance of Structures	-	-	7	-	-	-
27	5430 - Maint Reservoirs,Dams&Wtrways	-	-	-	-	-	-
28	5440 - Maintenance of Electric Plant	-	-	-	-	-	-
29	5450 - Maint of Misc Hydraulic Plant	-	-	-	-	-	27
30	5460 - Oper Supervision & Engineering	-	-	-	-	-	-
31	5470 - Fuel	-	-	-	(67)	(51)	-
32	5490 - Misc Other Pwr Generation Exp	-	-	-	-	-	-
33	5510 - Maint Supv & Engineering	-	-	-	-	-	-
34	5530 - Maintenance of Generating Plt	-	-	-	-	-	185
35	5550 - Purchased Power	-	-	-	-	-	-
36	5560 - Sys Control & Load Dispatching	-	-	-	1,047,903	-	-
37	5570 - Other Expenses	-	-	110,184	2,092,442	492	701
38	5600 - Oper Supervision & Engineering	-	338	150,172	-	-	113,932
39	5612 - Load Dispatch-Mntr&Op TransSys	-	-	-	-	-	7
40	5613 - Load Dispatch-Trans Svc&Sched	-	-	-	-	-	-
41	5615 - Reliability,Plng&Stds Develop	10	-	-	-	-	4
42	5620 - Station Expenses	-	-	-	-	-	90
43	5630 - Overhead Line Expenses	-	-	-	-	-	84
44	5640 - Underground Line Expenses	-	-	-	-	-	-
45	5660 - Misc Transmission Expenses	144	-	7,648	285	-	47,556
46	5670 - Rents	-	-	-	-	-	5
47	5680 - Maint Supv & Engineering	-	-	7	-	-	55
48	5690 - Maintenance of Structures	-	-	-	-	-	-
49	5691 - Maint of Computer Hardware	-	-	-	-	-	-
50	5692 - Maint of Computer Software	5,126	-	-	-	-	-
51	5693 - Maint of Communication Equip	-	-	-	-	-	-
52	5700 - Maint of Station Equipment	-	-	144	-	-	3,825
53	5710 - Maintenance of Overhead Lines	-	-	50	-	-	39
54	5720 - Maint of Underground Lines	-	-	-	-	-	-
55	5730 - Maint of Misc Trnsmssion Plt	-	-	-	-	-	55
56	5800 - Oper Supervision & Engineering	-	-	182,718	299	-	10,476
57	5820 - Station Expenses	-	-	-	-	-	264
58	5830 - Overhead Line Expenses	-	-	-	-	-	-
59	5840 - Underground Line Expenses	-	-	-	-	-	-
60	5860 - Meter Expenses	-	-	-	-	-	152
61	5880 - Miscellaneous Distribution Exp	131	0	19,847	9,966	-	10,131
62	5890 - Rents	-	-	-	-	-	-
63	5900 - Maint Supv & Engineering	-	-	-	-	-	18
64	5910 - Maintenance of Structures	-	-	-	-	-	-
65	5920 - Maint of Station Equipment	-	-	-	-	-	2,484
66	5930 - Maintenance of Overhead Lines	(2)	-	349	-	-	23
67	5940 - Maint of Underground Lines	-	-	-	-	-	-
68	5960 - Maint of Strt Lighting & Signal S	-	-	-	-	-	-
69	5970 - Maintenance of Meters	-	-	-	-	-	-
70	5980 - Maint of Misc Distribution Plt	-	-	-	-	-	-
71	9010 - Supervision - Customer Accts	-	-	-	-	-	-
72	9020 - Meter Reading Expenses	-	-	-	-	-	-
73	9030 - Cust Records & Collection Exp	-	-	-	-	-	7,548
74	9050 - Misc Customer Accounts Exp	-	-	-	-	-	3
75	9070 - Supervision - Customer Service	-	-	-	-	-	1
76	9080 - Customer Assistance Expenses	-	-	-	-	-	-
77	9090 - Information & Instruct Advrtis	-	-	-	-	-	-
78	9100 - Misc Cust Svc&Informational Ex	-	-	822	-	-	0
79	9110 - Supervision - Sales Expenses	-	-	-	-	-	-
80	9120 - Demonstrating & Selling Exp	-	59	-	-	-	13
81	9200 - Administrative & Gen Salaries	310,949	503,553	520,059	16,326	3,021	(143)
82	9210 - Office Supplies and Expenses	10,922	27,049	35,941	84	19	1,139,902
83	9220 - Administrative Exp Trnsl - Cr	-	-	-	-	-	-
84	9230 - Outside Services Employed	227,028	107,063	6,599	-	-	17,215
85	9240 - Property Insurance	-	205	-	-	-	116
86	9250 - Injuries and Damages	-	-	-	-	-	-
87	9260 - Employee Pensions & Benefits	77	14,798	337	-	-	80
88	9280 - Regulatory Commission Exp	-	-	-	1,737	408	(13)
89	9301 - General Advertising Expenses	-	6,633	-	-	-	-
90	9302 - Misc General Expenses	1	9	(51)	5,051	-	2,538
91	9310 - Rents	-	3,896	13,993	-	-	3,891
92	9350 - Maintenance of General Plant	606,618	2,635	241	-	-	100
93	Grand Total	1,183,365	668,104	4,027,742	3,561,913	312,230	1,783,904
94	Pro-Forma Adjustments from BJF-2A	(\$1,395)	(\$6,966)	(\$24,379)	(\$6,645)	(\$2,438)	(\$1,449,604)
95	Cost of Service	\$1,181,971	\$661,139	\$4,003,363	\$3,555,269	\$309,794	\$334,300

Southwestern Electric Power Company
Affiliate Expenses by FERC Account
AEPSC Billings to SWEPCO
For the Test Year Ended March 31, 2020

Line	FERC Account	(u) Internal Support	(v) Energy Supply	(w) AEPSC Incentives	(x) Per Books Total	(y) Pro-Forma Adjustments from BJF-2A, Line 1	(z) AEPSC Included in Cost of Service
1	4261 - Donations	-	-	-	-	152,838	152,838
2	4264 - Civic & Political Activities	-	-	-	-	27,501	27,501
3	4265 - Other Deductions	-	-	-	-	11,475	11,475
4	5000 - Oper Supervision & Engineering	-	-	2,058,413	14,841,570	(1,013,600)	13,827,970
5	5010 - Fuel	-	-	137,581	934,725	(42,056)	892,668
6	5020 - Steam Expenses	-	-	35,556	182,351	(11,832)	170,519
7	5050 - Electric Expenses	-	-	-	605	(131)	4,822
8	5060 - Misc Steam Power Expenses	467	-	(1,108,562)	(464,878)	770,820	305,942
9	5070 - Rents	-	-	-	3,339	-	3,339
10	5100 - Maint Supv & Engineering	-	-	64,262	322,110	(88,616)	233,495
11	5110 - Maintenance of Structures	-	-	90,195	611,205	(16,940)	594,265
12	5120 - Maintenance of Boiler Plant	-	-	330,554	1,556,574	(128,544)	1,428,031
13	5130 - Maintenance of Electric Plant	-	-	82,220	432,661	(32,160)	400,502
14	5140 - Maintenance of Misc Steam Plt	-	-	15,834	118,669	(1,849)	116,820
15	5170 - Oper Supervision & Engineering	-	-	-	(20)	20	-
16	5200 - Steam Expenses	-	-	-	51	(51)	-
17	5240 - Misc Nuclear Power Expenses	-	-	0	1,669	(1,669)	-
18	5280 - Maint Supv & Engineering	-	-	1,213	6,291	(6,291)	-
19	5290 - Maintenance of Structures	-	-	52	362	(362)	-
20	5300 - Maint of Reactor Plant Equip	-	-	4	44	(44)	-
21	5310 - Maintenance of Electric Plant	-	-	1	256	(256)	-
22	5320 - Maint of Misc Nuclear Plant	-	-	-	582	(582)	-
23	5350 - Oper Supervision & Engineering	-	-	818	5,068	(5,068)	-
24	5370 - Hydraulic Expenses	-	-	89	1,132	(1,132)	-
25	5390 - Misc Hydr Power Generation Exp	-	-	764	5,911	(5,911)	-
26	5420 - Maintenance of Structures	-	-	-	306	(306)	-
27	5430 - Maint Rsrvoirs,Dams&Wtrways	-	-	-	(59)	59	-
28	5440 - Maintenance of Electric Plant	-	-	-	(547)	547	-
29	5450 - Maint of Misc Hydraulic Plant	-	-	111	1,149	(1,149)	-
30	5480 - Oper Supervision & Engineering	-	-	-	(556)	-	(556)
31	5470 - Fuel	-	-	-	(118)	-	(118)
32	5490 - Misc Other Pwr Generation Exp	-	-	-	6,171	-	6,171
33	5510 - Maint Supv & Engineering	-	-	(3)	(35)	2	(33)
34	5530 - Maintenance of Generating Plt	-	-	2,232	12,975	(745)	12,230
35	5550 - Purchased Power	-	-	-	(3)	-	(3)
36	5560 - Sys Control & Load Dispatching	-	22,570	276,271	1,506,164	(103,460)	1,402,704
37	5570 - Other Expenses	-	7,609	655,993	3,669,751	(225,109)	3,344,642
38	5600 - Oper Supervision & Engineering	89	-	1,038,367	7,708,036	(462,689)	7,245,346
39	5612 - Load Dispatch-Mnt&Op TransSys	-	-	151,656	1,073,587	(43,787)	1,029,800
40	5613 - Load Dispatch-Trans Srvcs&Sched	-	-	-	(6,131)	-	(6,131)
41	5615 - Reliability,Plng&Stds Develop	-	-	36,856	251,857	(9,586)	242,271
42	5620 - Station Expenses	-	-	952	7,910	(1,086)	6,824
43	5630 - Overhead Line Expenses	-	-	3,262	45,083	(1,112)	43,971
44	5640 - Underground Line Expenses	-	-	-	(19)	19	-
45	5660 - Misc Transmission Expenses	12	98	307,009	2,310,204	(196,470)	2,113,735
46	5670 - Rents	-	-	14	133	(1)	132
47	5680 - Maint Supv & Engineering	-	-	1,453	9,842	(767)	9,075
48	5690 - Maintenance of Structures	-	-	14	102	11	113
49	5691 - Maint of Computer Hardware	-	-	1,356	9,937	(312)	9,625
50	5692 - Maint of Computer Software	-	-	22,824	280,999	(5,624)	275,376
51	5693 - Maint of Communication Equip	-	-	-	63	-	63
52	5700 - Maint of Station Equipment	-	-	33,141	222,546	(19,395)	203,150
53	5710 - Maintenance of Overhead Lines	-	-	5,115	27,439	(4,308)	23,131
54	5720 - Maint of Underground Lines	-	-	-	(120)	111	(9)
55	5730 - Maint of Misc Trnsmission Plt	-	-	221	10,664	(4,658)	6,006
56	5800 - Oper Supervision & Engineering	-	-	261,682	1,373,479	(98,318)	1,275,161
57	5820 - Station Expenses	-	-	10,309	98,678	(5,439)	93,239
58	5830 - Overhead Line Expenses	-	-	75	587	(24)	563
59	5840 - Underground Line Expenses	-	-	2,983	15,236	(1,227)	14,009
60	5860 - Meter Expenses	-	-	30,504	205,052	(8,438)	196,614
61	5880 - Miscellaneous Distribution Exp	3	-	(429,191)	1,100,943	367,367	1,468,309
62	5890 - Rents	-	-	-	17,807	-	17,807
63	5900 - Maint Supv & Engineering	-	-	2,128	10,031	(814)	9,218
64	5910 - Maintenance of Structures	-	-	-	800	(35)	766
65	5920 - Maint of Station Equipment	-	-	16,365	109,854	(16,871)	92,983
66	5930 - Maintenance of Overhead Lines	-	-	10,646	55,011	(3,261)	51,750
67	5940 - Maint of Underground Lines	-	-	-	471	2	472
68	5960 - Maint of Strt Lghtng & Sgnal S	-	-	-	(0)	0	-
69	5970 - Maintenance of Meters	-	-	43	353	(7)	346
70	5980 - Maint of Misc Distribution Plt	-	-	-	33	(33)	-
71	9010 - Supervision - Customer Accts	-	-	9,871	83,498	(1,481)	82,017
72	9020 - Meter Reading Expenses	-	-	17,020	142,955	(2,340)	140,614
73	9030 - Cust Records & Collection Exp	-	-	1,245,740	12,955,284	(247,874)	12,707,409
74	9050 - Misc Customer Accounts Exp	-	-	3,104	29,178	(323)	28,856
75	9070 - Supervision - Customer Service	-	-	15,298	146,610	(6,999)	139,611
76	9080 - Customer Assistance Expenses	-	-	8,658	78,049	(1,779)	76,270
77	9090 - Information & Instrct Advrtis	-	-	-	-	-	-
78	9100 - Misc Cust Svc&Informational Ex	-	-	3,619	27,409	(1,364)	26,044
79	9110 - Supervision - Sales Expenses	-	-	-	2,160	-	2,160
80	9120 - Demonstrating & Selling Exp	-	-	194	133,066	(6,700)	126,366
81	9200 - Administrative & Gen Salaries	-	-	6,199,591	28,107,427	(2,787,754)	25,319,673
82	9210 - Office Supplies and Expenses	1,091	459	2,065	1,948,525	(1,201,821)	746,705
83	9220 - Administrative Exp Trnsf - Cr	-	-	-	0	(0)	(0)
84	9230 - Outside Services Employed	1,470,312	115,744	(33,110)	4,610,877	71,037	4,681,914
85	9240 - Property Insurance	-	-	-	1,736	-	1,736
86	9250 - Injuries and Damages	-	-	-	6,702	(8,298)	16,855
87	9260 - Employee Pensions & Benefits	-	-	4,660	48,517	(5,872)	42,646
88	9280 - Regulatory Commission Exp	-	-	411,925	1,811,205	(1,736,726)	74,479
89	9301 - General Advertising Expenses	-	-	30	22,306	(636)	21,669
90	9302 - Misc General Expenses	-	-	34,473	642,145	(110,434)	531,710
91	9310 - Rents	-	-	-	74,873	(585)	74,288
92	9350 - Maintenance of General Plant	-	-	32,647	3,037,626	(11,744)	3,025,882
93	Grand Total	1,471,974	146,481	12,114,476	\$92,530,927	(7,303,047)	\$85,227,881
94	Pro-Forma Adjustments from BJF-2A	(\$197,348)	(\$146,481)	(\$8,114,567)	(\$7,303,047)	-	-
95	Cost of Service	\$1,274,626	\$0	\$3,999,909	\$85,227,881	-	-

Southwestern Electric Power Company
Affiliate Expenses by FERC Account
Other AEP Affiliate Billings to SWEPCO
For the Test Year Ended March 31, 2020

Line	From Affiliate	FERC	Per Books	Pro-Forma Adjustments	Adjusted Basis
1	AEP Energy Partners, Inc	9200 - Administrative & Gen Salaries	\$115,282	(\$115,282)	\$0
2		9210 - Office Supplies and Expenses	254	(254)	0
3		9230 - Outside Services Employed	17	(17)	0
4	AEP Energy Partners, Inc Total		115,554	(115,554)	0
5	AEP Energy, Inc	9200 - Administrative & Gen Salaries	2,477	(2,477)	0
6	AEP Generating Company	5100 - Maint Supv & Engineering	853	(853)	0
7		5390 - Misc Hydr Power Generation Exp	568	(568)	0
8		9230 - Outside Services Employed	30	(30)	0
9		9302 - Misc General Expenses	311	(311)	0
10	AEP Generating Company Total		1,763	(1,763)	0
11	AEP Generation Resources	5100 - Maint Supv & Engineering	198	(198)	0
12		9200 - Administrative & Gen Salaries	13,923	(13,923)	0
13		9210 - Office Supplies and Expenses	423	(423)	0
14		9230 - Outside Services Employed	63,736	(63,736)	0
15	AEP Generation Resources Total		78,280	(78,280)	0
16	AEP Oklahoma Transmission Company, Inc	5120 - Maintenance of Boiler Plant	(4,499)	4,499	0
17	AEP OnSite Partners, LLC	5860 - Meter Expenses	0	(0)	0
18		9200 - Administrative & Gen Salaries	6,138	(6,138)	0
19		9210 - Office Supplies and Expenses	57	(57)	0
20	AEP OnSite Partners, LLC Total		6,196	(6,196)	0
21	AEP Texas Company	5000 - Oper Supervision & Engineering	263		263
22		5120 - Maintenance of Boiler Plant	36		36
23		5130 - Maintenance of Electric Plant	1,732		1,732
24		5600 - Oper Supervision & Engineering	18,236		18,236
25		5620 - Station Expenses	21,151		21,151
26		5660 - Misc Transmission Expenses	10,113		10,113
27		5690 - Maintenance of Structures	272		272
28		5700 - Maint of Station Equipment	86,815		86,815
29		5710 - Maintenance of Overhead Lines	164,788		164,788
30		5800 - Oper Supervision & Engineering	17,586		17,586
31		5810 - Load Dispatching	14,613		14,613
32		5830 - Overhead Line Expenses	13,790		13,790
33		5850 - Street Lighting & Signal Sys E	28		28
34		5860 - Meter Expenses	21,461		21,461
35		5870 - Customer Installations Exp	8,454		8,454
36		5880 - Miscellaneous Distribution Exp	10,467		10,467
37		5890 - Rents	8,843		8,843
38		5900 - Maint Supv & Engineering	3,097		3,097
39		5920 - Maint of Station Equipment	12,114		12,114
40		5930 - Maintenance of Overhead Lines	14,831		14,831
41		5940 - Maint of Underground Lines	2		2
42		5950 - Maint of Lne Trmf, Rglators & Dvr	16,613		16,613
43		5960 - Maint of Strt Lghtng & Signal S	82		82
44		5970 - Maintenance of Meters	931		931
45		9030 - Cust Records & Collection Exp	4,688		4,688
46		9080 - Customer Assistance Expenses	121,691		121,691
47		9120 - Demonstrating & Selling Exp	9,170		9,170
48		9200 - Administrative & Gen Salaries	72,713		72,713
49		9210 - Office Supplies and Expenses	12,838		12,838
50		9230 - Outside Services Employed	26,946		26,946
51		9280 - Regulatory Commission Exp	2,478		2,478
52		9310 - Rents	6,419		6,419
53		9350 - Maintenance of General Plant	40,341		40,341
54	AEP Texas Company Total		743,604	0	743,604
55	AEP Transmission Company, LLC	5600 - Oper Supervision & Engineering	403	(403)	0
56		9302 - Misc General Expenses	(524)	524	0
57	AEP Transmission Company, LLC Total		(122)	122	0
58	Appalachian Power Company	5000 - Oper Supervision & Engineering	4,708		4,708
59		5020 - Steam Expenses	10,043		10,043
60		5060 - Misc Steam Power Expenses	3,133		3,133
61		5100 - Maint Supv & Engineering	1,726		1,726
62		5120 - Maintenance of Boiler Plant	4,001		4,001
63		5130 - Maintenance of Electric Plant	6,299		6,299
64		5140 - Maintenance of Misc Steam Plt	1,816		1,816
65		5430 - Maint Rsvrs, Dams & Wtrways	12		12
66		5440 - Maintenance of Electric Plant	84		84

Southwestern Electric Power Company
Affiliate Expenses by FERC Account
Other AEP Affiliate Billings to SWEPCO
For the Test Year Ended March 31, 2020

Line	From Affiliate	FERC	Per Books	Pro-Forma Adjustments	Adjusted Basis
67		5600 - Oper Supervision & Engineering	831		831
68		5660 - Misc Transmission Expenses	484		484
69		5800 - Oper Supervision & Engineering	11,259		11,259
70		5830 - Overhead Line Expenses	0		0
71		5860 - Meter Expenses	2,618		2,618
72		5880 - Miscellaneous Distribution Exp	1,208		1,208
73		5930 - Maintenance of Overhead Lines	1,827		1,827
74		5950 - Maint of Lne Trnf,Rglators&Dvi	(2)		(2)
75		5960 - Maint of Strt Lghtng & Sgnal S	111		111
76		9010 - Supervision - Customer Accts	24		24
77		9030 - Cust Records & Collection Exp	74		74
78		9200 - Administrative & Gen Salaries	51,628		51,628
79		9210 - Office Supplies and Expenses	4,818		4,818
80		9230 - Outside Services Employed	116,199		116,199
81		9302 - Misc General Expenses	(569)		(569)
82		9310 - Rents	19		19
83		9350 - Maintenance of General Plant	122		122
84	Appalachian Power Company Total		222,473	0	222,473
85	Dolet Hills Lignite Company, LLC	5000 - Oper Supervision & Engineering	1,087	(1,087)	0
86		5060 - Misc Steam Power Expenses	2,172	(2,172)	0
87		5100 - Maint Supv & Engineering	482	(482)	0
88		5120 - Maintenance of Boiler Plant	918	(918)	0
89		5130 - Maintenance of Electric Plant	206	(206)	0
90		5140 - Maintenance of Misc Steam Plt	38,598	(38,598)	0
91	Dolet Hills Lignite Co, LLC Total		43,463	(43,463)	0

Southwestern Electric Power Company
Affiliate Expenses by FERC Account
Other AEP Affiliate Billings to SWEPCO
For the Test Year Ended March 31, 2020

Line	From Affiliate	FERC	Per Books	Pro-Forma Adjustments	Adjusted Basis
92	Electric Transmission TX, LLC	5600 - Oper Supervision & Engineering	55		55
93		5660 - Misc Transmission Expenses	175		175
94		9230 - Outside Services Employed	1,051		1,051
95	Electric Transmission TX, LLC Total		1,281	0	1,281
96	Grid Assurance LLC	5660 - Misc Transmission Expenses	3,545	(3,545)	0
97	Indiana Michigan Power Company	5000 - Oper Supervision & Engineering	14,678		14,678
98		5060 - Misc Steam Power Expenses	228		228
99		5100 - Maint Supv & Engineering	1,272		1,272
100		5120 - Maintenance of Boiler Plant	3,894		3,894
101		5130 - Maintenance of Electric Plant	2,980		2,980
102		5140 - Maintenance of Misc Steam Plt	170		170
103		5240 - Misc Nuclear Power Expenses	142		142
104		5600 - Oper Supervision & Engineering	7,393		7,393
105		5660 - Misc Transmission Expenses	3,552		3,552
106		5700 - Maint of Station Equipment	23		23
107		5730 - Maint of Misc Trnsmssion Plt	1,187		1,187
108		5830 - Overhead Line Expenses	(2)		(2)
109		5860 - Meter Expenses	317		317
110		5880 - Miscellaneous Distribution Exp	9,442		9,442
111		5920 - Maint of Station Equipment	413		413
112		5930 - Maintenance of Overhead Lines	1,453		1,453
113		5940 - Maint of Underground Lines	191		191
114		5950 - Maint of Lne Trnf,Rglators&Dvi	24		24
115		5960 - Maint of Strt Lghtng & Sgnal S	8		8
116		9010 - Supervision - Customer Accts	36		36
117		9030 - Cust Records & Collection Exp	667		667
118		9200 - Administrative & Gen Salaries	81,564		81,564
119		9210 - Office Supplies and Expenses	4,437		4,437
120		9230 - Outside Services Employed	1,068		1,068
121		9260 - Employee Pensions & Benefits	4		4
122		9310 - Rents	8		8
123	Indiana Michigan Power Company Total		135,150	0	135,150
124	Kentucky Power Company	5000 - Oper Supervision & Engineering	4,465		4,465
125		5060 - Misc Steam Power Expenses	1,748		1,748
126		5100 - Maint Supv & Engineering	1,996		1,996
127		5110 - Maintenance of Structures	981		981
128		5120 - Maintenance of Boiler Plant	4,132		4,132
129		5130 - Maintenance of Electric Plant	720		720
130		5140 - Maintenance of Misc Steam Plt	2,202		2,202
131		5600 - Oper Supervision & Engineering	352		352
132		5830 - Overhead Line Expenses	285		285
133		5860 - Meter Expenses	(69)		(69)
134		5880 - Miscellaneous Distribution Exp	168		168
135		5930 - Maintenance of Overhead Lines	407		407
136		9010 - Supervision - Customer Accts	90		90
137		9120 - Demonstrating & Selling Exp	4,071		4,071
138		9200 - Administrative & Gen Salaries	30,172		30,172
139		9210 - Office Supplies and Expenses	1,933		1,933
140		9230 - Outside Services Employed	1,136		1,136
141		9310 - Rents	(1)		(1)
142	Kentucky Power Company Total		54,785	0	54,785
143	Kingsport Power Company	5860 - Meter Expenses	6		6
144		9210 - Office Supplies and Expenses	38		38
145		9230 - Outside Services Employed	4		4
146	Kingsport Power Company Total		49	0	49

Southwestern Electric Power Company
Affiliate Expenses by FERC Account
Other AEP Affiliate Billings to SWEPCO
For the Test Year Ended March 31, 2020

Line	From Affiliate	FERC	Per Books	Pro-Forma Adjustments	Adjusted Basis
147	Ohio Power Company	5020 - Steam Expenses	1,816		1,816
148		5120 - Maintenance of Boiler Plant	4,499		4,499
149		5600 - Oper Supervision & Engineering	218		218
150		5660 - Misc Transmission Expenses	(543)		(543)
151		5700 - Maint of Station Equipment	6		6
152		5800 - Oper Supervision & Engineering	17,481		17,481
153		5830 - Overhead Line Expenses	461		461
154		5840 - Underground Line Expenses	93,799		93,799
155		5860 - Meter Expenses	5,707		5,707
156		5880 - Miscellaneous Distribution Exp	8,808		8,808
157		5890 - Rents	396		396
158		5930 - Maintenance of Overhead Lines	1,554		1,554
159		5950 - Maint of Lne Trnfrglators&Dvi	1		1
160		9030 - Cust Records & Collection Exp	1,673		1,673
161		9080 - Customer Assistance Expenses	186		186
162		9110 - Supervision - Sales Expenses	38		38
163		9200 - Administrative & Gen Salaries	52,328		52,328
164		9210 - Office Supplies and Expenses	138,139		138,139
165		9230 - Outside Services Employed	2,125		2,125
166		9240 - Property Insurance	13		13
167		9310 - Rents	9		9
168		9350 - Maintenance of General Plant	1,958		1,958
169	Ohio Power Company Total		330,672	0	330,672
170	Public Service Company of Oklahoma	5000 - Oper Supervision & Engineering	60,693		60,693
171		5060 - Misc Steam Power Expenses	1,967		1,967
172		5100 - Maint Supv & Engineering	72,882		72,882
173		5110 - Maintenance of Structures	151		151
174		5120 - Maintenance of Boiler Plant	37,381		37,381
175		5130 - Maintenance of Electric Plant	7,632		7,632
176		5140 - Maintenance of Misc Steam Pit	500		500
177		5600 - Oper Supervision & Engineering	27,735		27,735
178		5612 - Load Dispatch-Mntr&Op TransSys	118		118
179		5620 - Station Expenses	4,402		4,402
180		5630 - Overhead Line Expenses	15		15
181		5650 - Trnsmssion of Elect by Others	44,208		44,208
182		5660 - Misc Transmission Expenses	41,306		41,306
183		5700 - Maint of Station Equipment	50,467		50,467
184		5710 - Maintenance of Overhead Lines	33,292		33,292
185		5730 - Maint of Misc Trnsmssion Pit	1,014		1,014
186		5800 - Oper Supervision & Engineering	21,867		21,867
187		5840 - Underground Line Expenses	(1,206)		(1,206)
188		5860 - Meter Expenses	21,028		21,028
189		5870 - Customer Installations Exp	158		158
190		5880 - Miscellaneous Distribution Exp	4,729		4,729
191		5920 - Maint of Station Equipment	21,906		21,906
192		5930 - Maintenance of Overhead Lines	100,125		100,125
193		5950 - Maint of Lne Trnfrglators&Dvi	29		29
194		5960 - Maint of Strt Lghtng & Signal S	8		8
195		9030 - Cust Records & Collection Exp	5,899		5,899
196		9120 - Demonstrating & Selling Exp	2,146		2,146
197		9200 - Administrative & Gen Salaries	43,646		43,646
198		9210 - Office Supplies and Expenses	4,027		4,027
199		9230 - Outside Services Employed	27,021		27,021
200		9302 - Misc General Expenses	1,871		1,871
201		9310 - Rents	1,596		1,596
202		9350 - Maintenance of General Plant	10,918		10,918
203	Public Service Company of Oklahoma Total		649,531	0	649,531
204	Transource West Virginia, LLC	5600 - Oper Supervision & Engineering	103	(103)	0
205	United Sciences Testing, Inc	5000 - Oper Supervision & Engineering	268,921		268,921
206	Wheeling Power Company	5860 - Meter Expenses	16		16
207		5930 - Maintenance of Overhead Lines	2		2
208		9200 - Administrative & Gen Salaries	180		180
209		9210 - Office Supplies and Expenses	34		34
210	Wheeling Power Company Total		232	0	232
211	Total		\$2,653,457	-\$246,760	\$2,406,697

Southwestern Electric Power Company
Summary of Affiliate Transactions
For the Test Year Ended March 31, 2020

Line	DESCRIPTION	SCHEDULE NO.	TEST YEAR PER BOOKS	PRO-FORMA ADJUSTMENTS	ADJUSTED BASIS
1	AEP SERVICE CORPORATION, INC.	BJF-2B	\$92,530,927	(\$7,303,046)	\$85,227,881
2	OTHER AEP AFFILIATES	BJF-2C	\$2,653,457	(\$246,760)	\$2,406,697
3	TOTAL AFFILIATE		<u>\$95,184,384</u>	<u>(\$7,549,806)</u>	<u>\$87,634,578</u>

Southwestern Electric Power Company
Summary of Affiliate Transactions
AEPSC Billings to SWEPCO
For the Test Year Ended March 31, 2020

Line	FERC Account	Per Books	Pro-Forma Adjustments	Adjusted Basis
1	4261 - Donations		\$152,838	\$152,838
2	4264 - Civic & Political Activities		\$27,501	27,501
3	4265 - Other Deductions		11,475	11,475
4	5000 - Oper Supervision & Engineering	\$ 14,841,570	(1,013,600)	13,827,970
5	5010 - Fuel	934,725	(42,056)	892,668
6	5020 - Steam Expenses	182,351	(11,832)	170,519
7	5050 - Electric Expenses	4,954	(131)	4,822
8	5060 - Misc Steam Power Expenses	(464,878)	770,820	305,942
9	5070 - Rents	3,339	0	3,339
10	5100 - Maint Supv & Engineering	322,110	(88,616)	233,495
11	5110 - Maintenance of Structures	611,205	(16,940)	594,265
12	5120 - Maintenance of Boiler Plant	1,556,574	(128,544)	1,428,031
13	5130 - Maintenance of Electric Plant	432,661	(32,160)	400,502
14	5140 - Maintenance of Misc Steam Plt	118,669	(1,849)	116,820
15	5170 - Oper Supervision & Engineering	(20)	20	0
16	5200 - Steam Expenses	51	(51)	0
17	5240 - Misc Nuclear Power Expenses	1,669	(1,669)	0
18	5280 - Maint Supv & Engineering	6,291	(6,291)	0
19	5290 - Maintenance of Structures	362	(362)	0
20	5300 - Maint of Reactor Plant Equip	44	(44)	0
21	5310 - Maintenance of Electric Plant	256	(256)	0
22	5320 - Maint of Misc Nuclear Plant	582	(582)	0
23	5350 - Oper Supervision & Engineering	5,068	(5,068)	0
24	5370 - Hydraulic Expenses	1,132	(1,132)	0
25	5390 - Misc Hydr Power Generation Exp	5,911	(5,911)	0
26	5420 - Maintenance of Structures	306	(306)	0
27	5430 - Maint Rsrvoirs,Dams&Wtrways	(59)	59	0
28	5440 - Maintenance of Electric Plant	(547)	547	0
29	5450 - Maint of Misc Hydraulic Plant	1,149	(1,149)	0
30	5460 - Oper Supervision & Engineering	(556)	0	(556)
31	5470 - Fuel	(118)	0	(118)
32	5490 - Misc Other Pwer Generation Exp	6,171	0	6,171
33	5510 - Maint Supv & Engineering	(35)	2	(33)
34	5530 - Maintenance of Generating Plt	12,975	(745)	12,230
35	5550 - Purchased Power	(3)	0	(3)
36	5560 - Sys Control & Load Dispatching	1,506,164	(103,460)	1,402,704
37	5570 - Other Expenses	3,569,751	(225,109)	3,344,642
38	5600 - Oper Supervision & Engineering	7,708,036	(462,689)	7,245,346
39	5612 - Load Dispatch-Mntr&Op TransSys	1,073,587	(43,787)	1,029,800
40	5613 - Load Dispatch-Trans Svc&Sched	(6,131)	0	(6,131)
41	5615 - Reliability,Plng&Stds Develop	251,857	(9,586)	242,271
42	5620 - Station Expenses	7,910	(1,086)	6,824
43	5630 - Overhead Line Expenses	45,083	(1,112)	43,971
44	5640 - Underground Line Expenses	(19)	19	0
45	5660 - Misc Transmission Expenses	2,310,204	(196,470)	2,113,735
46	5670 - Rents	133	(1)	132
47	5680 - Maint Supv & Engineering	9,842	(767)	9,075

Southwestern Electric Power Company
Summary of Affiliate Transactions
AEPSC Billings to SWEPCO
For the Test Year Ended March 31, 2020

Line	FERC Account	Per Books	Pro-Forma Adjustments	Adjusted Basis
48	5690 - Maintenance of Structures	102	11	113
49	5691 - Maint of Computer Hardware	9,937	(312)	9,625
50	5692 - Maint of Computer Software	280,999	(5,624)	275,376
51	5693 - Maint of Communication Equip	63	0	63
52	5700 - Maint of Station Equipment	222,546	(19,395)	203,150
53	5710 - Maintenance of Overhead Lines	27,439	(4,308)	23,131
54	5720 - Maint of Underground Lines	(120)	111	(9)
55	5730 - Maint of Misc Trnsmssion Plt	10,664	(4,658)	6,006
56	5800 - Oper Supervision & Engineering	1,373,479	(98,318)	1,275,161
57	5820 - Station Expenses	98,678	(5,439)	93,239
58	5830 - Overhead Line Expenses	587	(24)	563
59	5840 - Underground Line Expenses	15,236	(1,227)	14,009
60	5860 - Meter Expenses	205,092	(8,438)	196,654
61	5880 - Miscellaneous Distribution Exp	1,100,943	367,367	1,468,309
62	5890 - Rents	17,807	0	17,807
63	5900 - Maint Supv & Engineering	10,031	(814)	9,218
64	5910 - Maintenance of Structures	800	(35)	766
65	5920 - Maint of Station Equipment	109,854	(16,871)	92,983
66	5930 - Maintenance of Overhead Lines	55,011	(3,261)	51,750
67	5940 - Maint of Underground Lines	471	2	472
68	5960 - Maint of Strt Lghtng & Sgnal S	(0)	0	0
69	5970 - Maintenance of Meters	353	(7)	346
70	5980 - Maint of Misc Distribution Plt	33	(33)	0
71	9010 - Supervision - Customer Accts	83,498	(1,481)	82,017
72	9020 - Meter Reading Expenses	142,955	(2,340)	140,614
73	9030 - Cust Records & Collection Exp	12,955,284	(247,874)	12,707,409
74	9050 - Misc Customer Accounts Exp	29,178	(323)	28,856
75	9070 - Supervision - Customer Service	146,610	(6,999)	139,611
76	9080 - Customer Assistance Expenses	78,049	(1,779)	76,270
77	9090 - Information & Instruct Advrtis	0	0	0
78	9100 - Misc Cust Svc&Informational Ex	27,409	(1,364)	26,044
79	9110 - Supervision - Sales Expenses	2,160	0	2,160
80	9120 - Demonstrating & Selling Exp	133,066	(6,700)	126,366
81	9200 - Administrative & Gen Salaries	28,107,427	(2,787,753)	25,319,674
82	9210 - Office Supplies and Expenses	1,948,525	(1,201,821)	746,705
83	9220 - Administrative Exp Trnsf - Cr	0	(0)	(0)
84	9230 - Outside Services Employed	4,610,877	71,037	4,681,914
85	9240 - Property Insurance	1,736	0	1,736
86	9250 - Injuries and Damages	27,153	(8,298)	18,855
87	9260 - Employee Pensions & Benefits	48,517	(5,872)	42,646
88	9280 - Regulatory Commission Exp	1,811,205	(1,736,726)	74,479
89	9301 - General Advertising Expenses	22,306	(636)	21,669
90	9302 - Misc General Expenses	642,145	(110,434)	531,710
91	9310 - Rents	74,873	(585)	74,288
92	9350 - Maintenance of General Plant	3,037,626	(11,744)	3,025,882
93	Total	\$92,530,927	(\$7,303,046)	\$85,227,881

Southwestern Electric Power Company
Affiliate Expenses by FERC Account
Other AEP Affiliate Billings to SWEPCO
For the Test Year Ended March 31, 2020

Line	From Affiliate	FERC	Per Books	Pro-Forma Adjustments	Adjusted Basis
1	AEP Energy Partners, Inc	9200 - Administrative & Gen Salaries	\$115,282	(\$115,282)	\$0
2		9210 - Office Supplies and Expenses	254	(254)	0
3		9230 - Outside Services Employed	17	(17)	0
4	AEP Energy Partners, Inc Total		115,554	(115,554)	0
5	AEP Energy, Inc	9200 - Administrative & Gen Salaries	2,477	(2,477)	0
6	AEP Generating Company	5100 - Maint Supv & Engineering	853	(853)	0
7		5390 - Misc Hydr Power Generation Exp	568	(568)	0
8		9230 - Outside Services Employed	30	(30)	0
9		9302 - Misc General Expenses	311	(311)	0
10	AEP Generating Company Total		1,763	(1,763)	0
11	AEP Generation Resources	5100 - Maint Supv & Engineering	198	(198)	0
12		9200 - Administrative & Gen Salaries	13,923	(13,923)	0
13		9210 - Office Supplies and Expenses	423	(423)	0
14		9230 - Outside Services Employed	63,736	(63,736)	0
15	AEP Generation Resources Total		78,280	(78,280)	0
16	AEP Oklahoma Transmission Company, Inc	5120 - Maintenance of Boiler Plant	(4,499)	4,499	0
17	AEP OnSite Partners, LLC	5860 - Meter Expenses	0	(0)	0
18		9200 - Administrative & Gen Salaries	6,138	(6,138)	0
19		9210 - Office Supplies and Expenses	57	(57)	0
20	AEP OnSite Partners, LLC Total		6,196	(6,196)	0
21	AEP Texas Company	5000 - Oper Supervision & Engineering	263		263
22		5120 - Maintenance of Boiler Plant	36		36
23		5130 - Maintenance of Electric Plant	1,732		1,732
24		5600 - Oper Supervision & Engineering	18,236		18,236
25		5620 - Station Expenses	21,151		21,151
26		5660 - Misc Transmission Expenses	10,113		10,113
27		5690 - Maintenance of Structures	272		272
28		5700 - Maint of Station Equipment	86,815		86,815
29		5710 - Maintenance of Overhead Lines	164,788		164,788
30		5800 - Oper Supervision & Engineering	17,586		17,586
31		5810 - Load Dispatching	14,613		14,613
32		5830 - Overhead Line Expenses	13,790		13,790
33		5850 - Street Lighting & Signal Sys E	28		28
34		5860 - Meter Expenses	21,461		21,461
35		5870 - Customer Installations Exp	8,454		8,454
36		5880 - Miscellaneous Distribution Exp	10,467		10,467
37		5890 - Rents	8,843		8,843
38		5900 - Maint Supv & Engineering	3,097		3,097
39		5920 - Maint of Station Equipment	12,114		12,114
40		5930 - Maintenance of Overhead Lines	14,831		14,831
41		5940 - Maint of Underground Lines	2		2
42		5950 - Maint of Lne Trmf, Rglators & Dvi	16,613		16,613
43		5960 - Maint of Strt Lghtng & Sgnal S	82		82
44		5970 - Maintenance of Meters	931		931
45		9030 - Cust Records & Collection Exp	4,688		4,688
46		9080 - Customer Assistance Expenses	121,691		121,691
47		9120 - Demonstrating & Selling Exp	9,170		9,170
48		9200 - Administrative & Gen Salaries	72,713		72,713
49		9210 - Office Supplies and Expenses	12,838		12,838
50		9230 - Outside Services Employed	26,946		26,946
51		9280 - Regulatory Commission Exp	2,478		2,478
52		9310 - Rents	6,419		6,419
53		9350 - Maintenance of General Plant	40,341		40,341
54	AEP Texas Company Total		743,604	0	743,604
55	AEP Transmission Company, LLC	5600 - Oper Supervision & Engineering	403	(403)	0
56		9302 - Misc General Expenses	(524)	524	0
57	AEP Transmission Company, LLC Total		(122)	122	0
58	Appalachian Power Company	5000 - Oper Supervision & Engineering	4,708		4,708
59		5020 - Steam Expenses	10,043		10,043
60		5060 - Misc Steam Power Expenses	3,133		3,133
61		5100 - Maint Supv & Engineering	1,726		1,726
62		5120 - Maintenance of Boiler Plant	4,001		4,001
63		5130 - Maintenance of Electric Plant	6,299		6,299
64		5140 - Maintenance of Misc Steam Plt	1,816		1,816
65		5430 - Maint Rsvrs, Dams & Wtrways	12		12

Southwestern Electric Power Company
Affiliate Expenses by FERC Account
Other AEP Affiliate Billings to SWEPCO
For the Test Year Ended March 31, 2020

Line	From Affiliate	FERC	Per Books	Pro-Forma Adjustments	Adjusted Basis
66		5440 - Maintenance of Electric Plant	84		84
67		5600 - Oper Supervision & Engineering	831		831
68		5660 - Misc Transmission Expenses	484		484
69		5800 - Oper Supervision & Engineering	11,259		11,259
70		5830 - Overhead Line Expenses	0		0
71		5860 - Meter Expenses	2,618		2,618
72		5880 - Miscellaneous Distribution Exp	1,208		1,208
73		5930 - Maintenance of Overhead Lines	1,827		1,827
74		5950 - Maint of Lne Trmf, Rglators & Dvr	(2)		(2)
75		5960 - Maint of Strt Lghtng & Sgnal S	111		111
76		9010 - Supervision - Customer Accts	24		24
77		9030 - Cust Records & Collection Exp	74		74
78		9200 - Administrative & Gen Salaries	51,628		51,628
79		9210 - Office Supplies and Expenses	4,818		4,818
80		9230 - Outside Services Employed	116,199		116,199
81		9302 - Misc General Expenses	(569)		(569)
82		9310 - Rents	19		19
83		9350 - Maintenance of General Plant	122		122
84	Appalachian Power Company Total		222,473	0	222,473
85	Dolet Hills Lignite Company, LLC	5000 - Oper Supervision & Engineering	1,087	(1,087)	0
86		5060 - Misc Steam Power Expenses	2,172	(2,172)	0
87		5100 - Maint Supv & Engineering	482	(482)	0
88		5120 - Maintenance of Boiler Plant	918	(918)	0
89		5130 - Maintenance of Electric Plant	206	(206)	0
90		5140 - Maintenance of Misc Steam Plt	38,598	(38,598)	0
91	Dolet Hills Lignite Co, LLC Total		43,463	(43,463)	0

Southwestern Electric Power Company
Affiliate Expenses by FERC Account
Other AEP Affiliate Billings to SWEPCO
For the Test Year Ended March 31, 2020

Line	From Affiliate	FERC	Per Books	Pro-Forma Adjustments	Adjusted Basis
92	Electric Transmission TX, LLC	5600 - Oper Supervision & Engineering	55		55
93		5660 - Misc Transmission Expenses	175		175
94		9230 - Outside Services Employed	1,051		1,051
95	Electric Transmission TX, LLC Total		1,281	0	1,281
96	Grid Assurance LLC	5660 - Misc Transmission Expenses	3,545	(3,545)	0
97	Indiana Michigan Power Company	5000 - Oper Supervision & Engineering	14,678		14,678
98		5060 - Misc Steam Power Expenses	228		228
99		5100 - Maint Supv & Engineering	1,272		1,272
100		5120 - Maintenance of Boiler Plant	3,894		3,894
101		5130 - Maintenance of Electric Plant	2,980		2,980
102		5140 - Maintenance of Misc Steam Plt	170		170
103		5240 - Misc Nuclear Power Expenses	142		142
104		5600 - Oper Supervision & Engineering	7,393		7,393
105		5660 - Misc Transmission Expenses	3,552		3,552
106		5700 - Maint of Station Equipment	23		23
107		5730 - Maint of Misc Trnsmssion Plt	1,187		1,187
108		5830 - Overhead Line Expenses	(2)		(2)
109		5860 - Meter Expenses	317		317
110		5880 - Miscellaneous Distribution Exp	9,442		9,442
111		5920 - Maint of Station Equipment	413		413
112		5930 - Maintenance of Overhead Lines	1,453		1,453
113		5940 - Maint of Underground Lines	191		191
114		5950 - Maint of Line Trmf, Rglators & Dvi	24		24
115		5960 - Maint of Strl Lghtng & Sgnal S	8		8
116		9010 - Supervision - Customer Accts	36		36
117		9030 - Cust Records & Collection Exp	667		667
118		9200 - Administrative & Gen Salaries	81,564		81,564
119		9210 - Office Supplies and Expenses	4,437		4,437
120		9230 - Outside Services Employed	1,068		1,068
121		9260 - Employee Pensions & Benefits	4		4
122		9310 - Rents	8		8
123	Indiana Michigan Power Company Total		135,150	0	135,150
124	Kentucky Power Company	5000 - Oper Supervision & Engineering	4,465		4,465
125		5060 - Misc Steam Power Expenses	1,748		1,748
126		5100 - Maint Supv & Engineering	1,996		1,996
127		5110 - Maintenance of Structures	981		981
128		5120 - Maintenance of Boiler Plant	4,132		4,132
129		5130 - Maintenance of Electric Plant	720		720
130		5140 - Maintenance of Misc Steam Plt	2,202		2,202
131		5600 - Oper Supervision & Engineering	352		352
132		5830 - Overhead Line Expenses	285		285
133		5860 - Meter Expenses	(69)		(69)
134		5880 - Miscellaneous Distribution Exp	168		168
135		5930 - Maintenance of Overhead Lines	407		407
136		9010 - Supervision - Customer Accts	90		90
137		9120 - Demonstrating & Selling Exp	4,071		4,071
138		9200 - Administrative & Gen Salaries	30,172		30,172
139		9210 - Office Supplies and Expenses	1,933		1,933
140		9230 - Outside Services Employed	1,136		1,136
141		9310 - Rents	(1)		(1)
142	Kentucky Power Company Total		54,785	0	54,785
143	Kingsport Power Company	5860 - Meter Expenses	6		6
144		9210 - Office Supplies and Expenses	38		38
145		9230 - Outside Services Employed	4		4
146	Kingsport Power Company Total		49	0	49

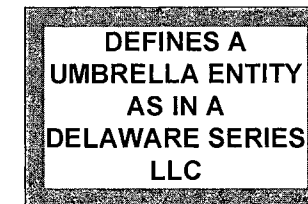
Southwestern Electric Power Company
Affiliate Expenses by FERC Account
Other AEP Affiliate Billings to SWEPCO
For the Test Year Ended March 31, 2020

Line	From Affiliate	FERC	Per Books	Pro-Forma Adjustments	Adjusted Basis
147	Ohio Power Company	5020 - Steam Expenses	1,816		1,816
148		5120 - Maintenance of Boiler Plant	4,499		4,499
149		5600 - Oper Supervision & Engineering	218		218
150		5660 - Misc Transmission Expenses	(543)		(543)
151		5700 - Maint of Station Equipment	6		6
152		5800 - Oper Supervision & Engineering	17,481		17,481
153		5830 - Overhead Line Expenses	461		461
154		5840 - Underground Line Expenses	93,799		93,799
155		5860 - Meter Expenses	5,707		5,707
156		5880 - Miscellaneous Distribution Exp	8,808		8,808
157		5890 - Rents	396		396
158		5930 - Maintenance of Overhead Lines	1,554		1,554
159		5950 - Maint of Lne Trmf,Rglators&Dvi	1		1
160		9030 - Cust Records & Collection Exp	1,673		1,673
161		9080 - Customer Assistance Expenses	186		186
162		9110 - Supervision - Sales Expenses	38		38
163		9200 - Administrative & Gen Salaries	52,328		52,328
164		9210 - Office Supplies and Expenses	138,139		138,139
165		9230 - Outside Services Employed	2,125		2,125
166		9240 - Property Insurance	13		13
167		9310 - Rents	9		9
168		9350 - Maintenance of General Plant	1,958		1,958
169	Ohio Power Company Total		330,672	0	330,672
170	Public Service Company of Oklahoma	5000 - Oper Supervision & Engineering	60,693		60,693
171		5060 - Misc Steam Power Expenses	1,967		1,967
172		5100 - Maint Supv & Engineering	72,882		72,882
173		5110 - Maintenance of Structures	151		151
174		5120 - Maintenance of Boiler Plant	37,381		37,381
175		5130 - Maintenance of Electric Plant	7,632		7,632
176		5140 - Maintenance of Misc Steam Plt	500		500
177		5600 - Oper Supervision & Engineering	27,735		27,735
178		5612 - Load Dispatch-Mntr&Op TransSys	118		118
179		5620 - Station Expenses	4,402		4,402
180		5630 - Overhead Line Expenses	15		15
181		5650 - Trnsmssion of Elect by Others	44,208		44,208
182		5660 - Misc Transmission Expenses	41,306		41,306
183		5700 - Maint of Station Equipment	50,467		50,467
184		5710 - Maintenance of Overhead Lines	33,292		33,292
185		5730 - Maint of Misc Trnsmssion Plt	1,014		1,014
186		5800 - Oper Supervision & Engineering	21,867		21,867
187		5840 - Underground Line Expenses	(1,206)		(1,206)
188		5860 - Meter Expenses	21,028		21,028
189		5870 - Customer Installations Exp	158		158
190		5880 - Miscellaneous Distribution Exp	4,729		4,729
191		5920 - Maint of Station Equipment	21,906		21,906
192		5930 - Maintenance of Overhead Lines	100,125		100,125
193		5950 - Maint of Lne Trmf,Rglators&Dvi	29		29
194		5960 - Maint of Strt Lghtng & Sgnal S	8		8
195		9030 - Cust Records & Collection Exp	5,899		5,899
196		9120 - Demonstrating & Selling Exp	2,146		2,146
197		9200 - Administrative & Gen Salaries	43,646		43,646
198		9210 - Office Supplies and Expenses	4,027		4,027
199		9230 - Outside Services Employed	27,021		27,021
200		9302 - Misc General Expenses	1,871		1,871
201		9310 - Rents	1,596		1,596
202		9350 - Maintenance of General Plant	10,918		10,918
203	Public Service Company of Oklahoma Total		649,531	0	649,531
204	Transource West Virginia, LLC	5600 - Oper Supervision & Engineering	103	(103)	0
205	United Sciences Testing, Inc	5000 - Oper Supervision & Engineering	268,921		268,921
206	Wheeling Power Company	5860 - Meter Expenses	16		16
207		5930 - Maintenance of Overhead Lines	2		2
208		9200 - Administrative & Gen Salaries	180		180
209		9210 - Office Supplies and Expenses	34		34
210	Wheeling Power Company Total		232	0	232
211	Total		<u>\$2,653,457</u>	<u>-\$246,760</u>	<u>\$2,406,697</u>

INDEX OF CHARTS

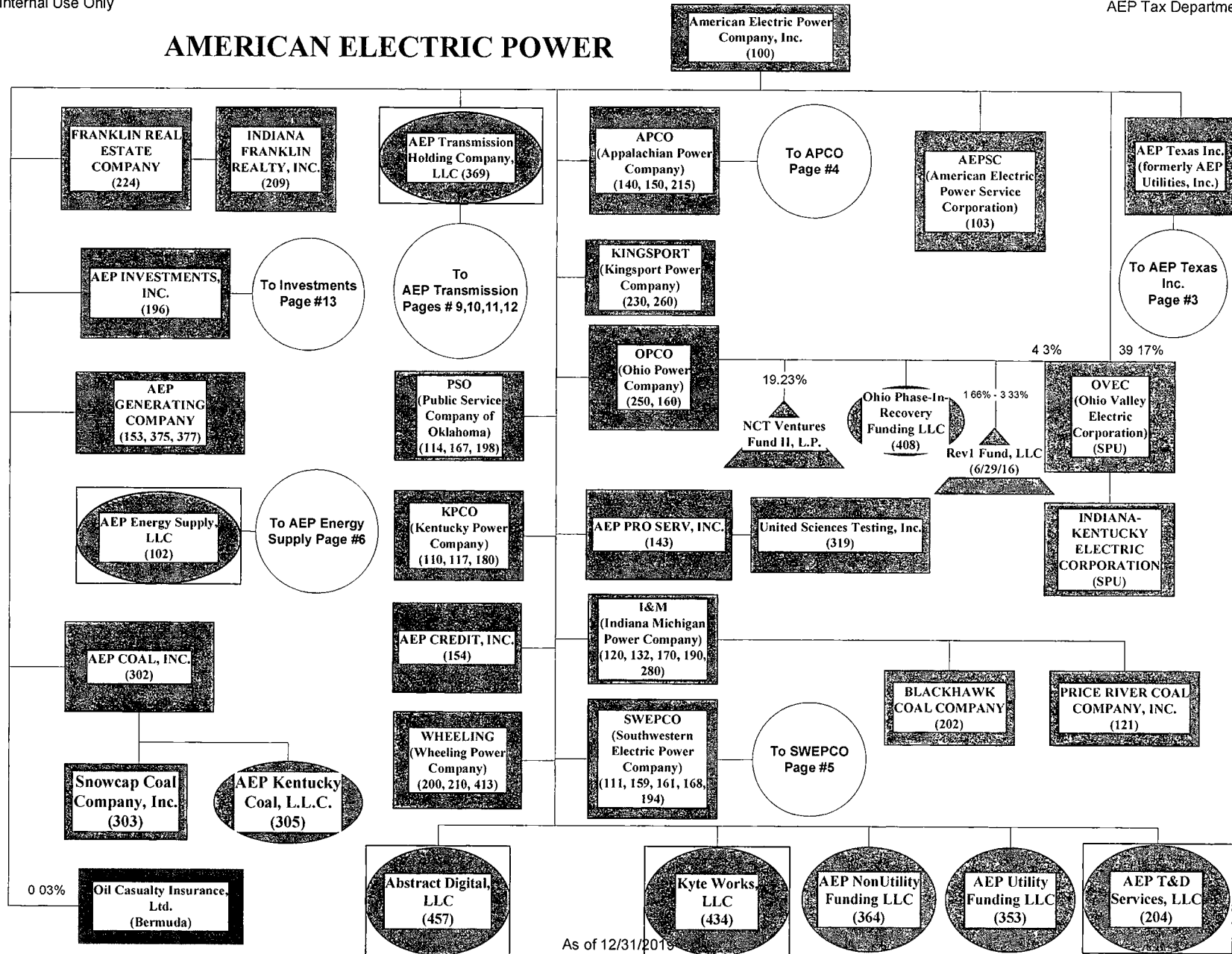
1. INDEX
2. AEP FIRST TIER
3. AEP TEXAS INC.
4. APPALACHIAN POWER COMPANY (APCO)
5. SOUTHWESTERN ELECTRIC POWER COMPANY (SWEPCO)
6. AEP ENERGY SUPPLY LLC
7. AEP ENERGY SUPPLY LLC: AEP CLEAN ENERGY RESOURCES LLC
8. AEP ENERGY SUPPLY LLC: AEP ONSITE PARTNERS, LLC
9. AEP TRANSMISSION HOLDING COMPANY, LLC - PART I
10. AEP TRANSMISSION HOLDING COMPANY, LLC - PART II
11. AEP TRANSMISSION HOLDING COMPANY, LLC - PART III
TRANSOURCE ENERGY, LLC
12. AEP TRANSMISSION COMPANY, LLC
13. AEP INVESTMENTS, INC.
14. LEGEND / KEY
- 15-17. PRIOR PERIOD CHANGES

COLOR CODE

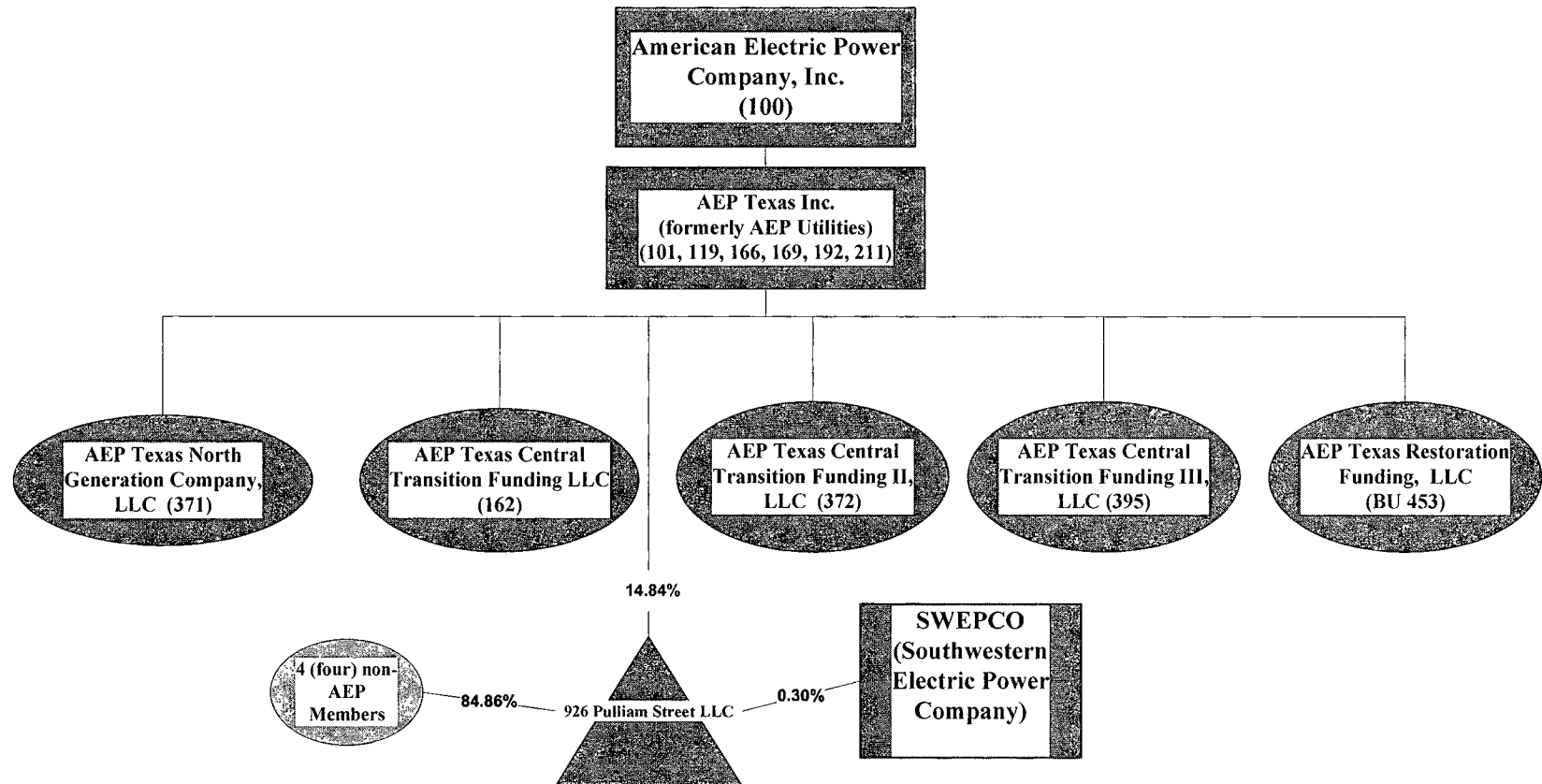


As of 12/31/2019

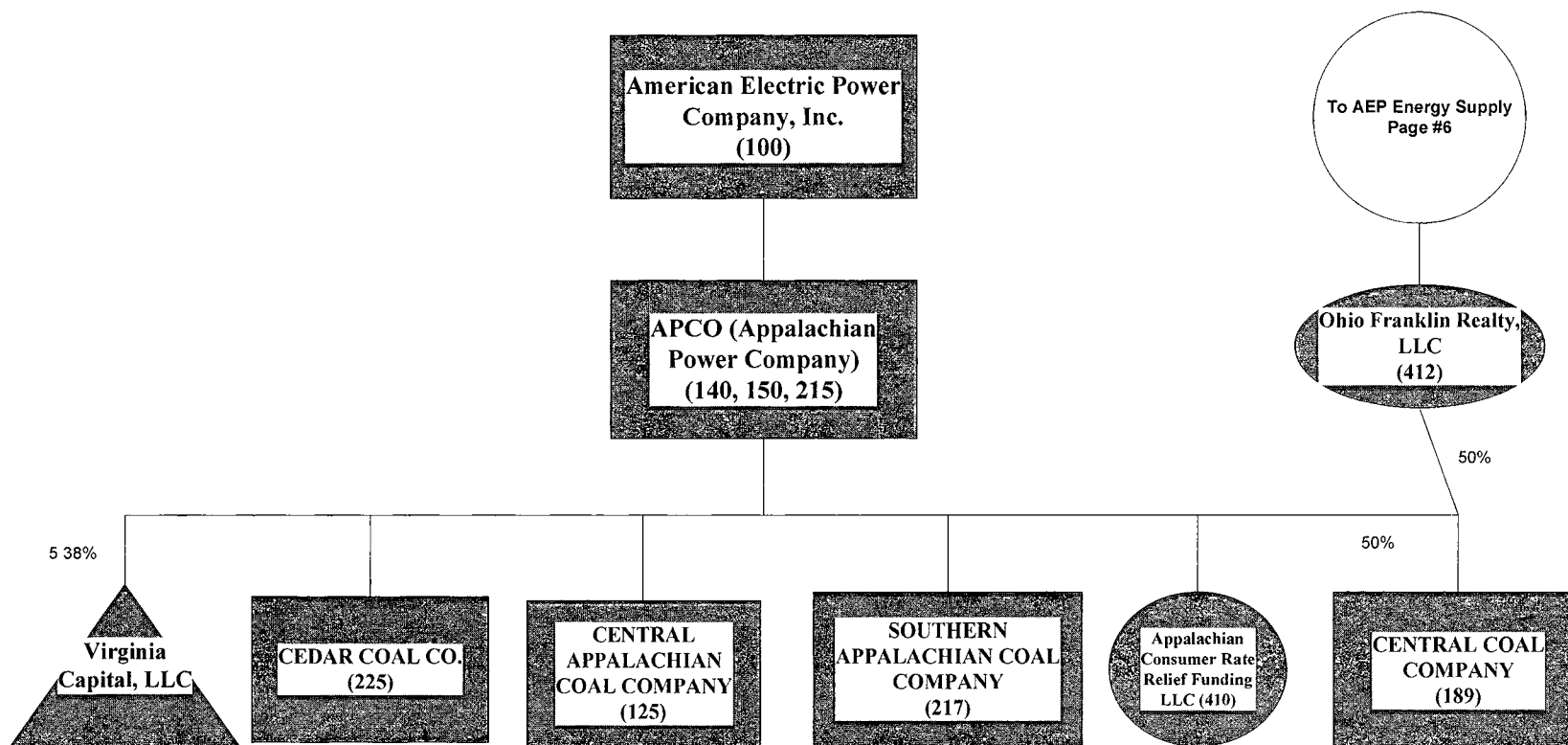
AMERICAN ELECTRIC POWER



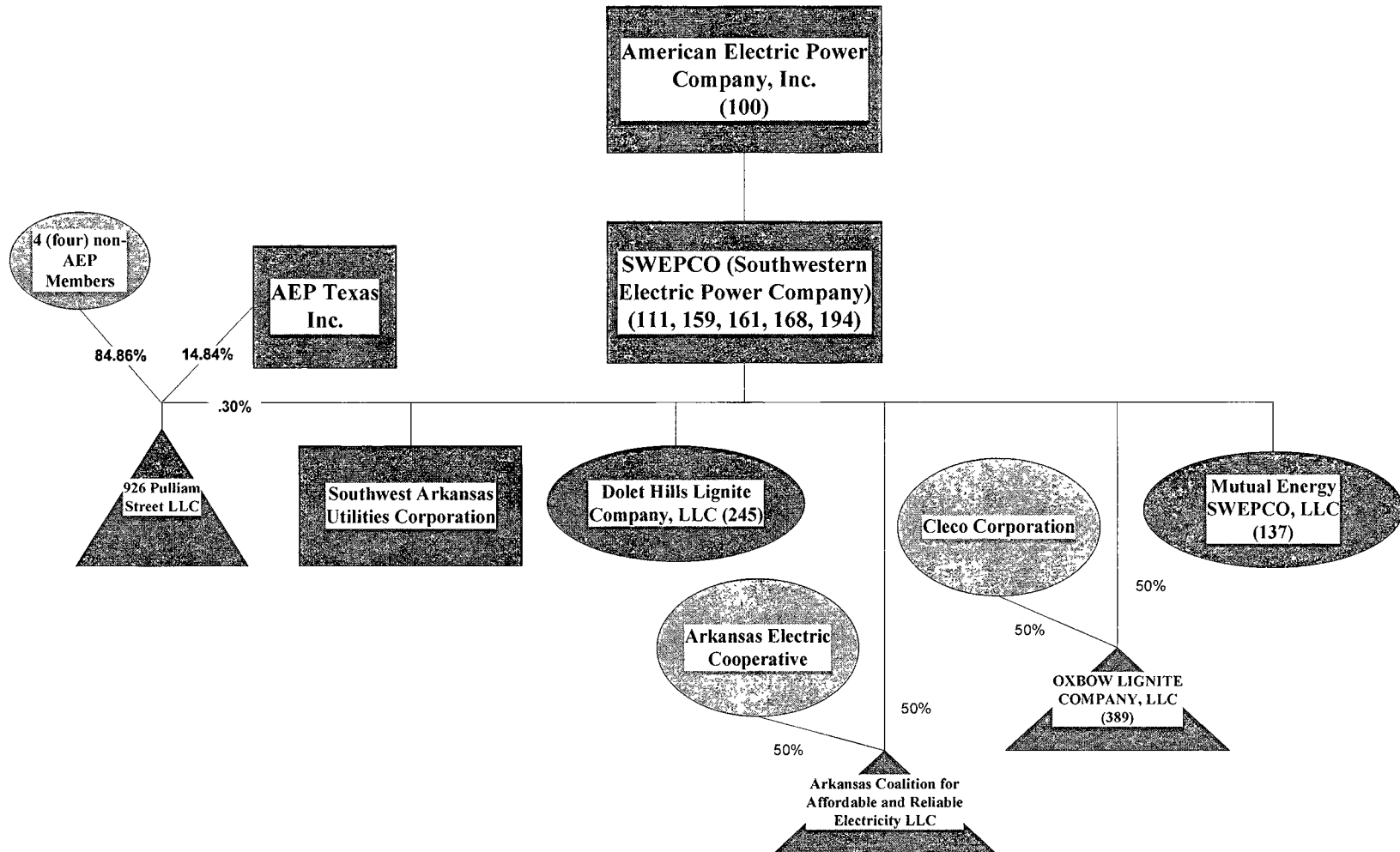
AEP Texas Inc.



APCO (Appalachian Power Company)

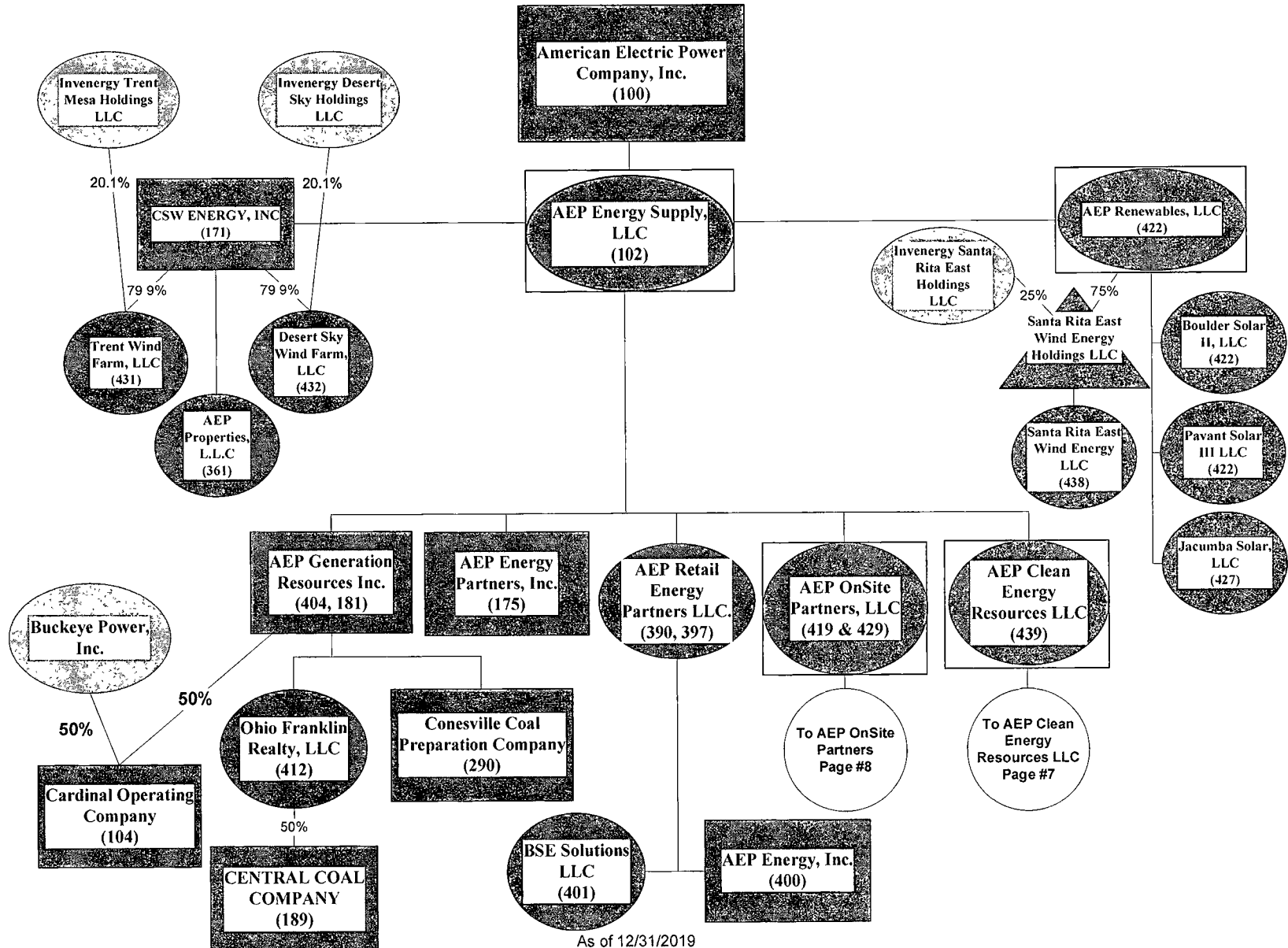


SWEPCO (Southwestern Electric Power Company)

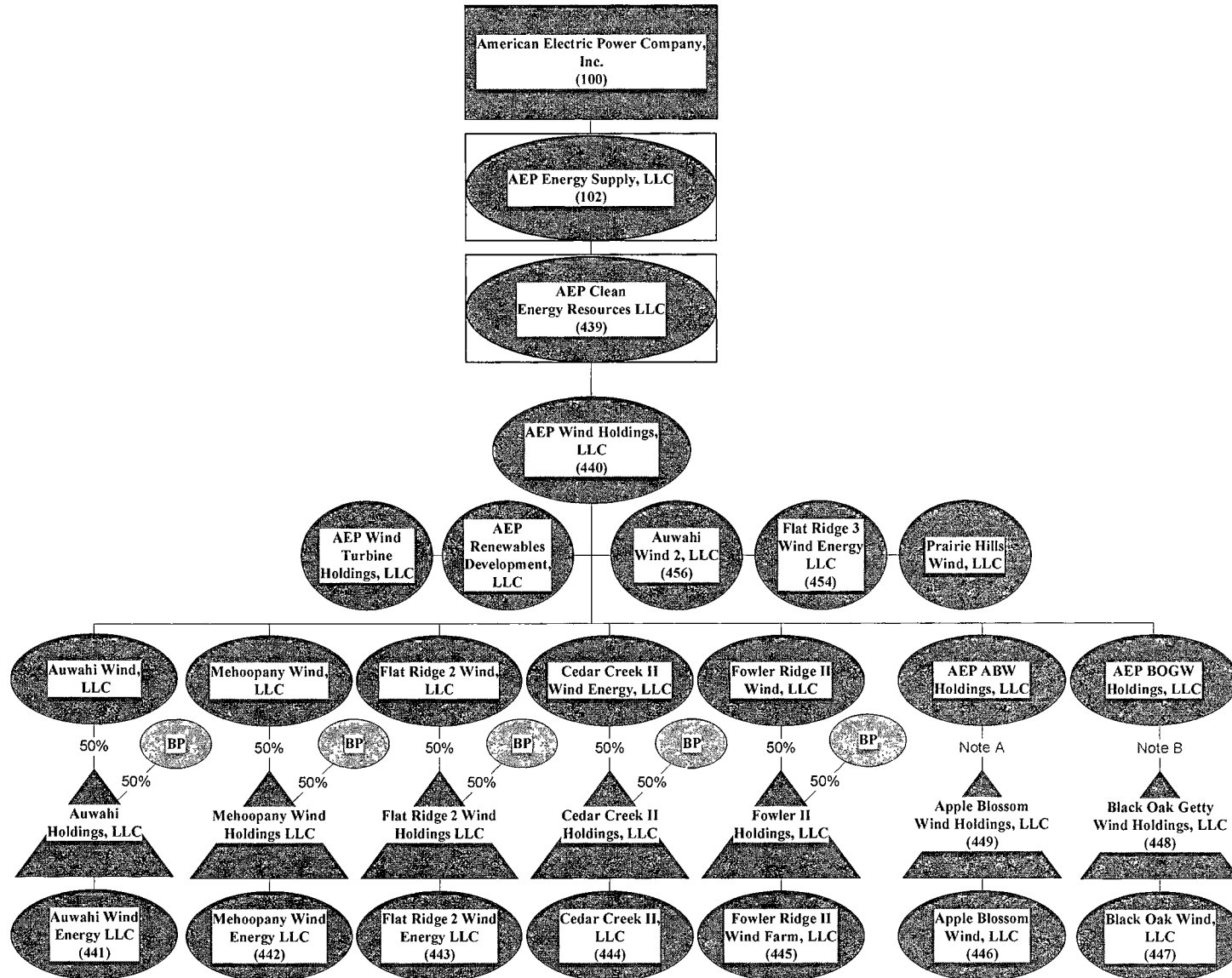


As of 12/31/2019

AEP Energy Supply LLC



AEP Energy Supply LLC: AEP Clean Energy Resources LLC

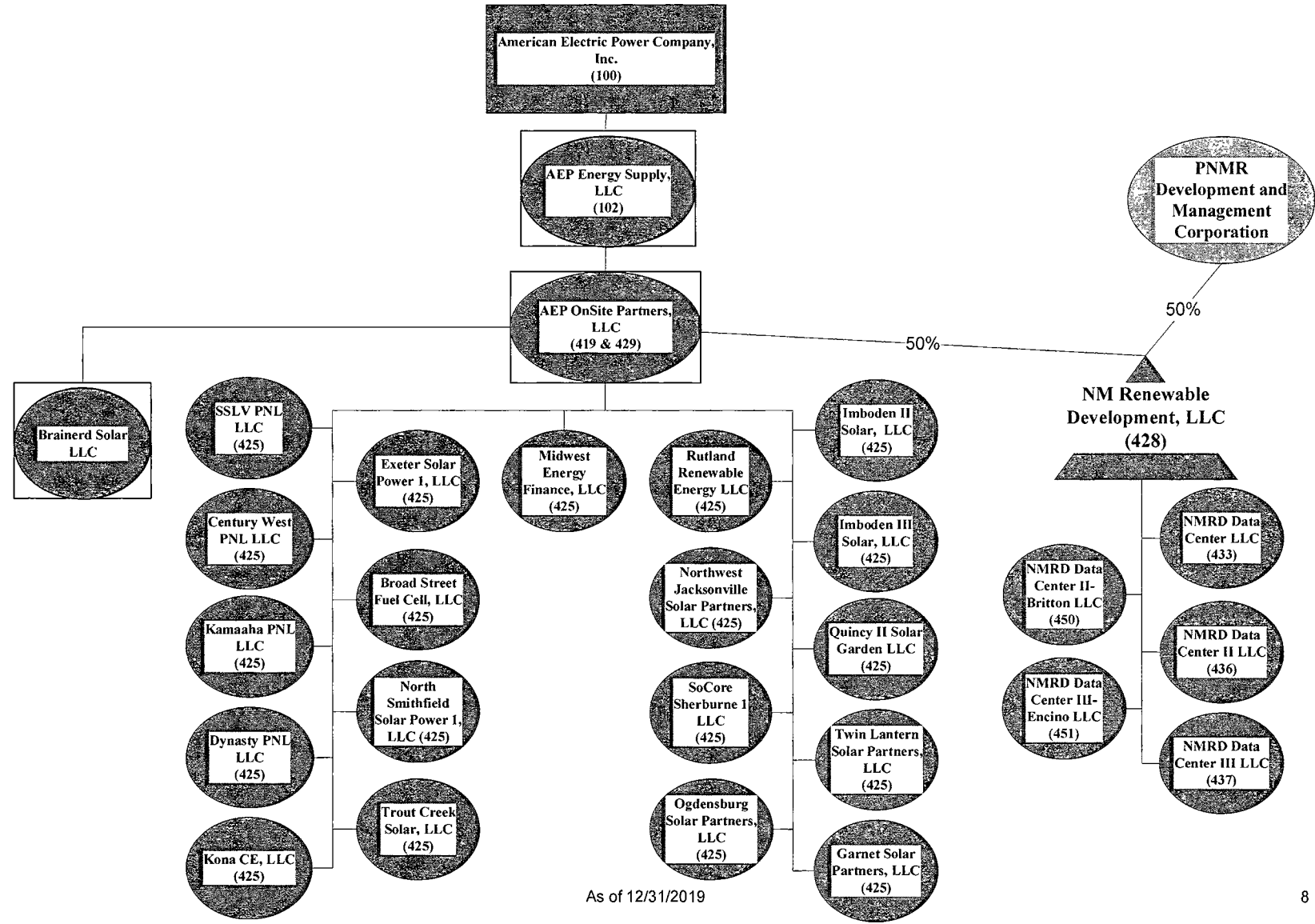


Note A Tax Equity Partnership with Bankers Commercial Corporation

Note B Tax Equity Partnership with Bankers Commercial Corporation and Citizen Asset Finance, Inc

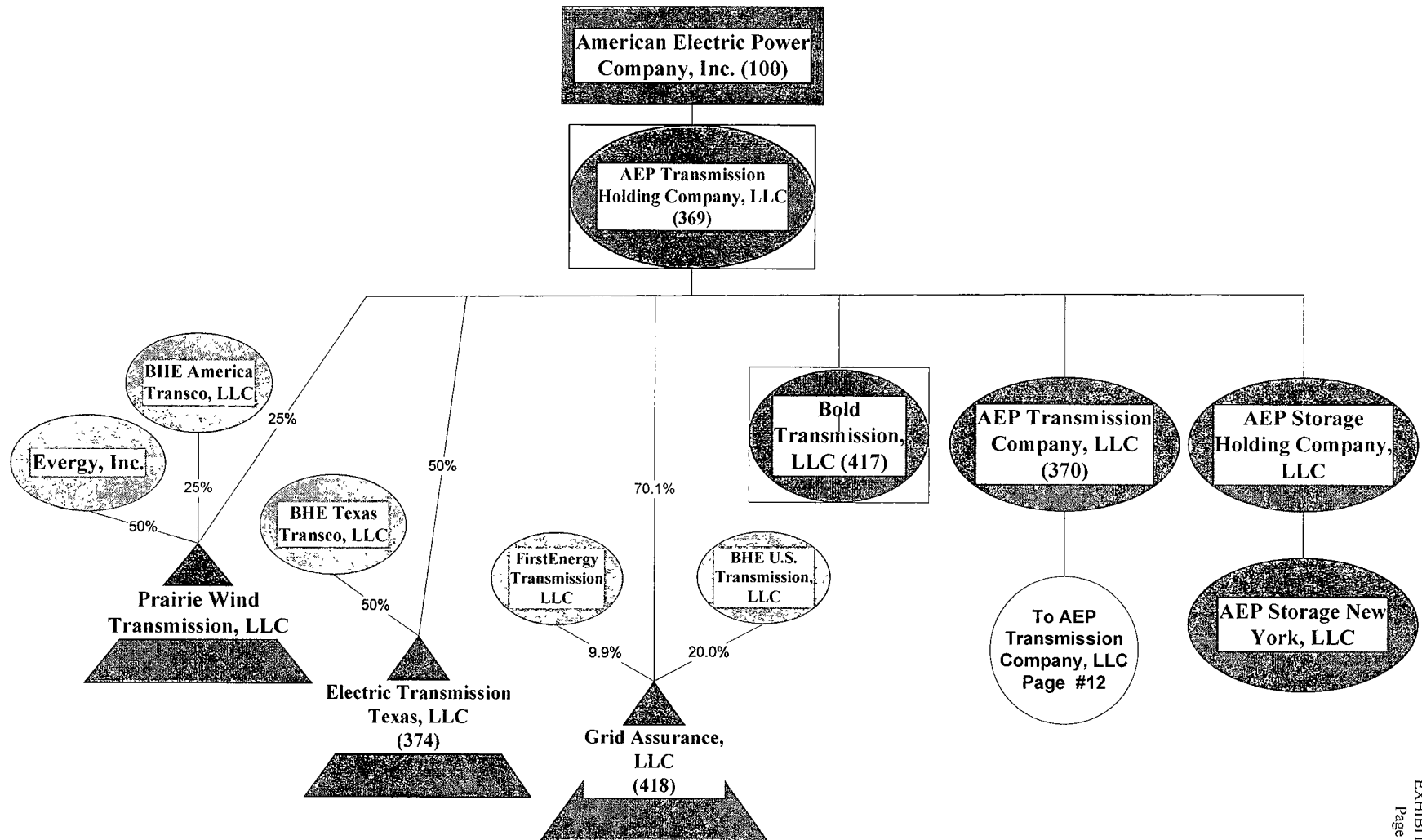
As of 12/31/2019

AEP Energy Supply LLC: AEP OnSite Partners LLC



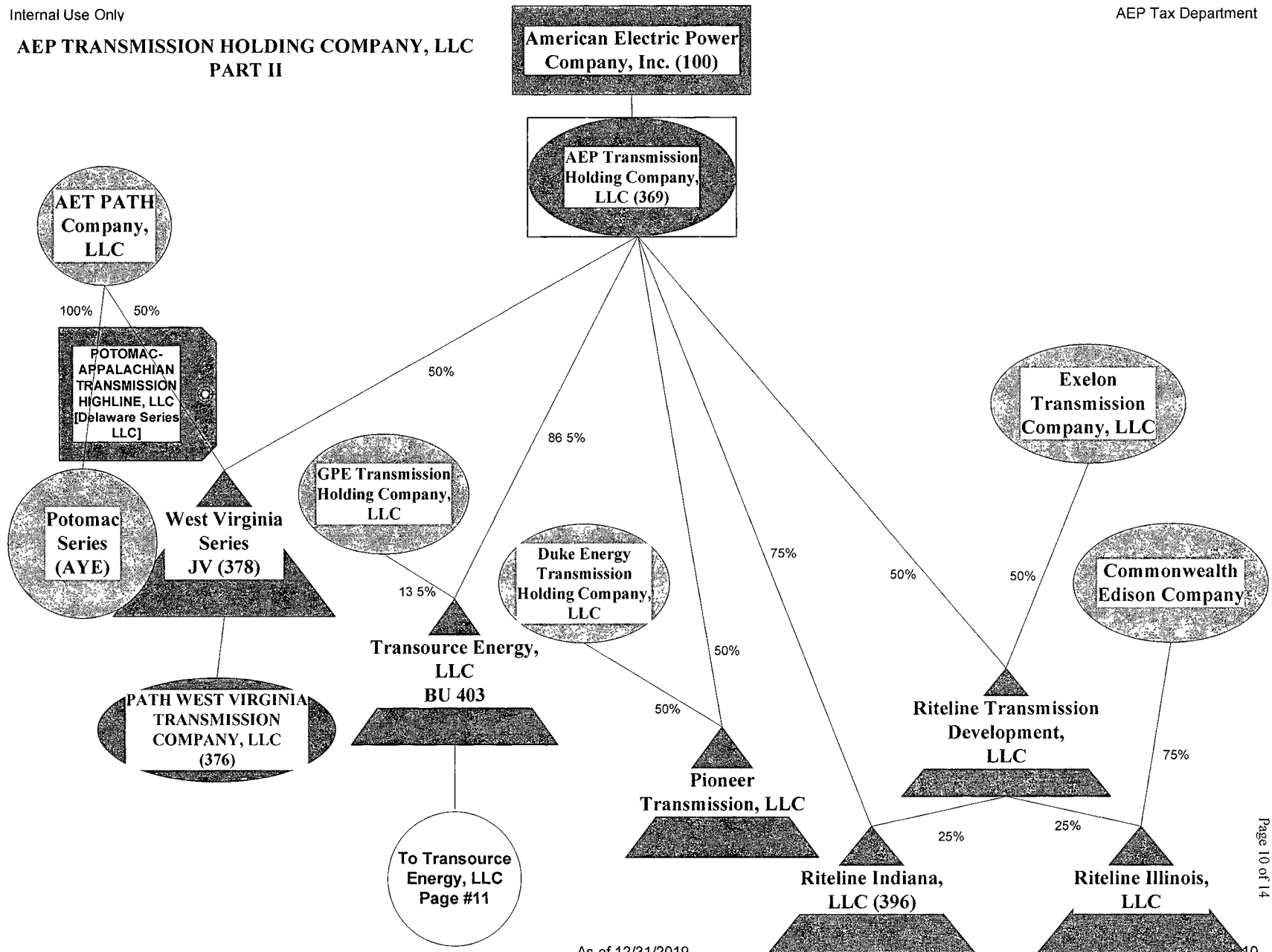
As of 12/31/2019

AEP TRANSMISSION HOLDING COMPANY, LLC PART I



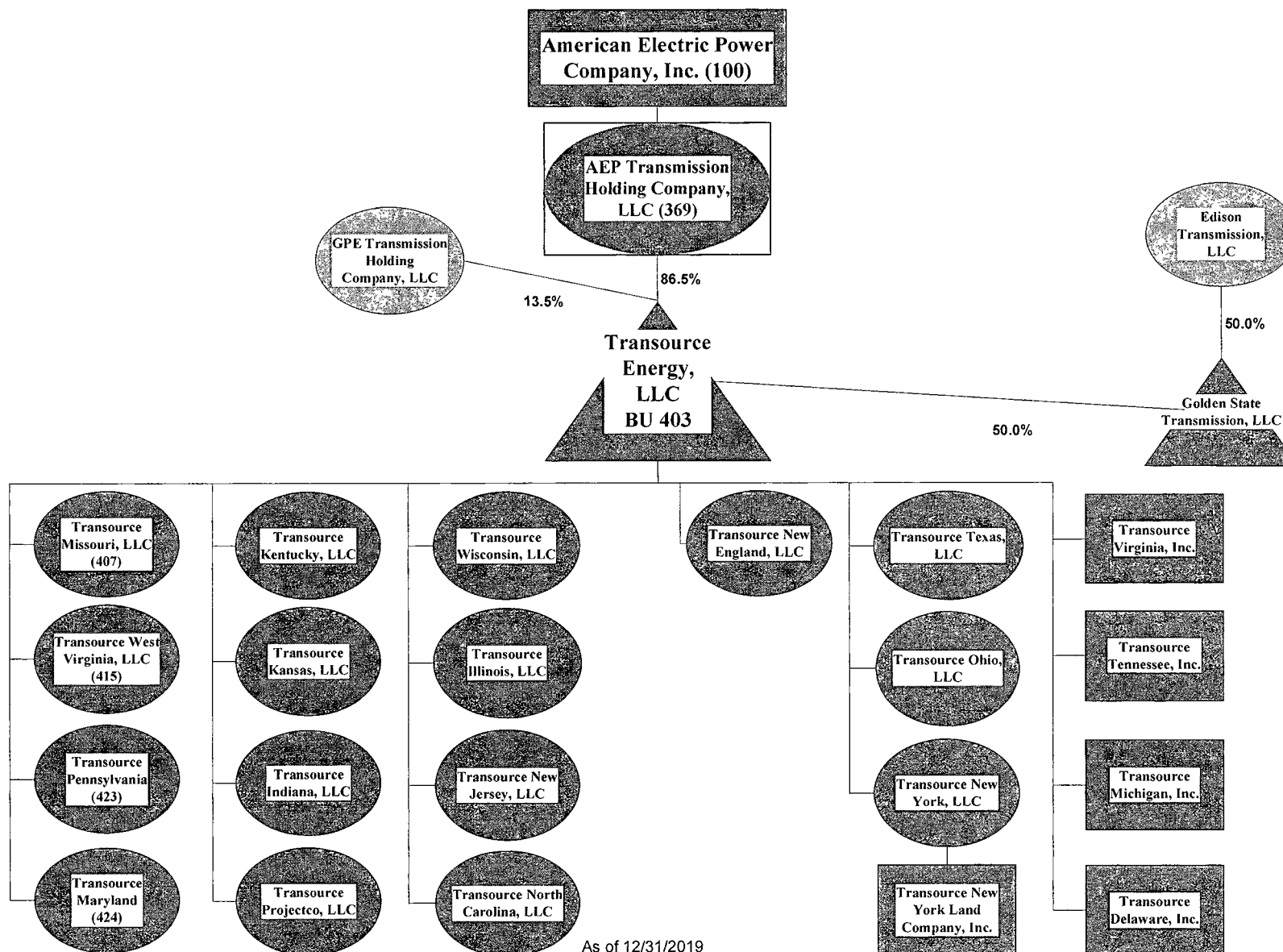
As of 12/31/2019

**AEP TRANSMISSION HOLDING COMPANY, LLC
PART II**



As of 12/31/2019

**AEP TRANSMISSION HOLDING COMPANY, LLC
PART III: TRANSOURCE ENERGY**



AEP TRANSMISSION COMPANY, LLC

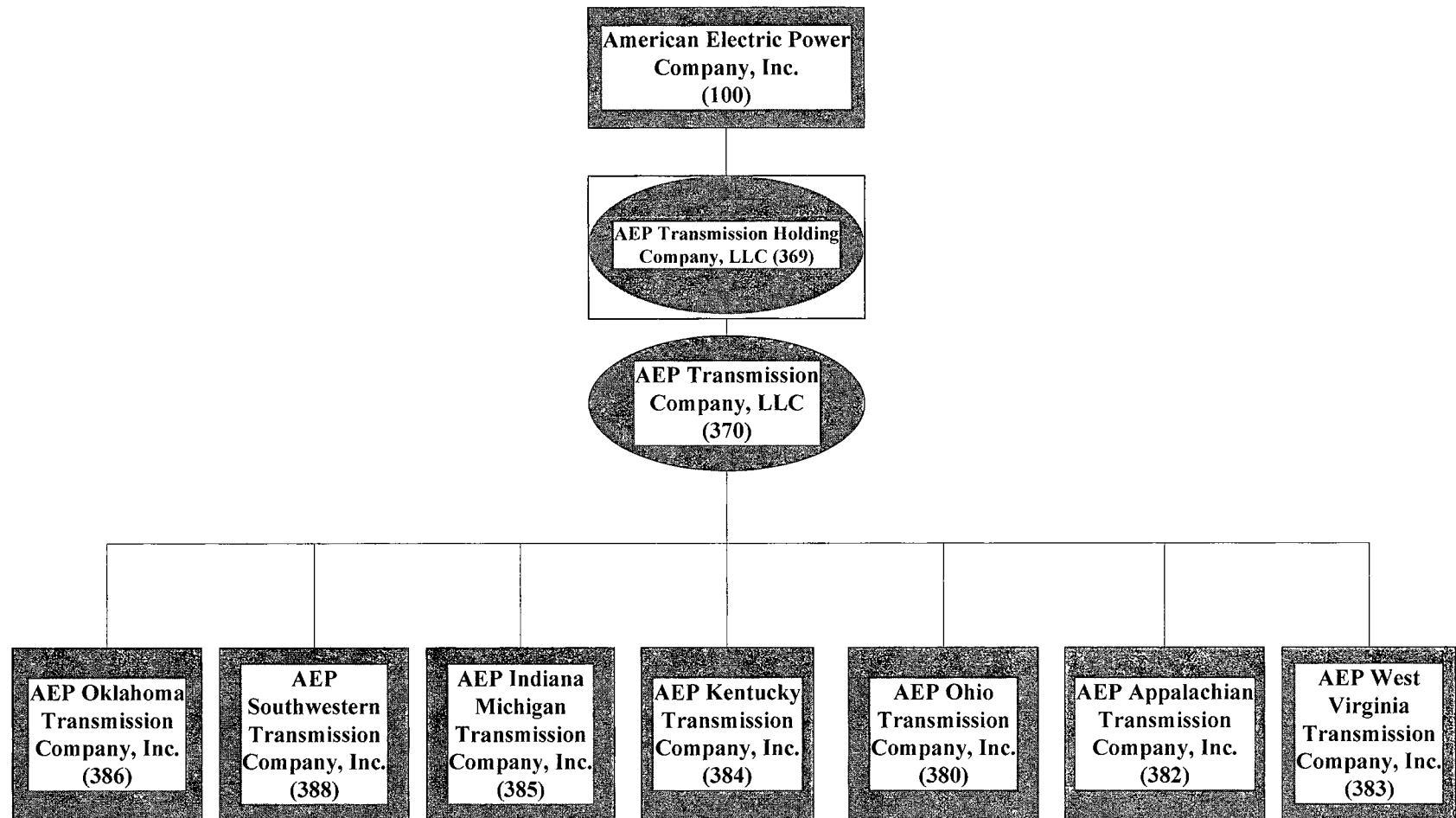


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AEP INVESTMENTS, INC.

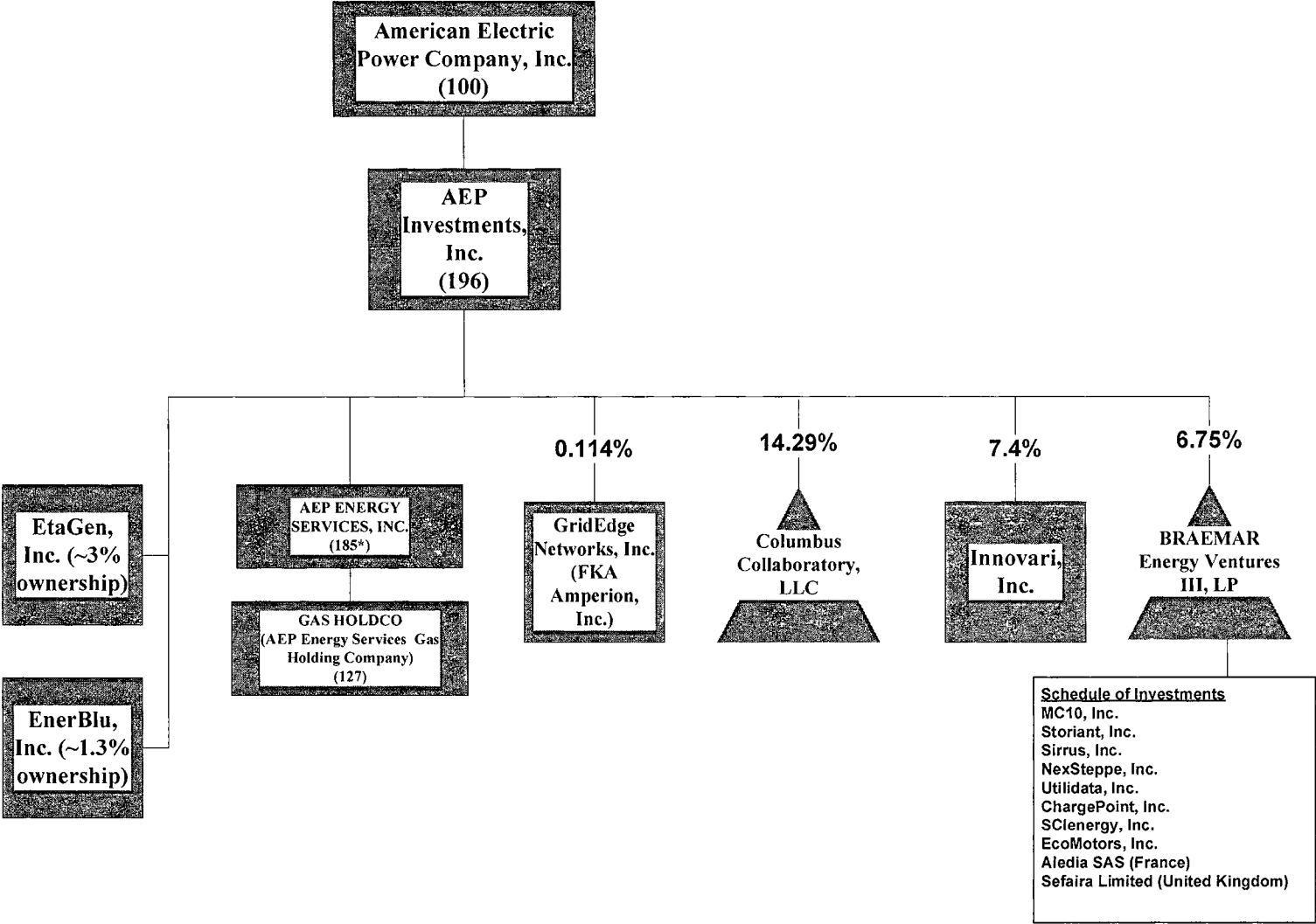


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Legend / Key - Federal Tax Entity



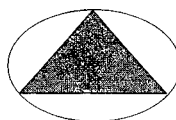
Association - C-Corp.



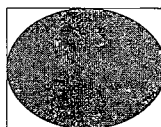
Branch - Disregarded Entity



Partnership



Branch - Disregarded Entity



Check the Box Corporation

**Southwestern Electric Power Company
Description of Products and Services Provided
By Affiliates**

American Electric Power Service Corporation (AEPSC):

Below are summary descriptions of the classes of service under which services were provided to the Company from AEPSC. Each affiliate witness discusses his or her class of service in greater detail in the filed testimony referenced.

- **Customer Service** – Resolve customer problems and manage customer relationships. Primarily provide support in the areas of customer operations, billing support, website development, and customer solution centers. See the testimony of Paul Pratt.
- **Distribution** – Provide mapping services, contract administration, data analysis and benchmarking, system budgeting, line training, project management, design and development of construction projects, drafting and engineering services, and planning services. See the testimony of Drew Seidel.
- **Transmission** – Provide transmission planning, project management, drafting and engineering services, development of standards related to electric transmission systems, budgeting and cost analysis, and field operations, maintenance, and emergency restoration of the transmission system. See the testimony of Dan Boezio.
- **Federal Affairs** – Responsible for federal legislative monitoring, analysis, advocacy and regulatory development. See the testimony of Brian Bond.
- **Regulatory Services** – Responsible for case management and coordination, overall regulatory policy, technical support, and expertise on regulatory issues. See the testimony of Lynn Ferry-Nelson.
- **Generation** – Provides executive leadership, management direction, outage planning, and engineering and environmental support services. See the testimony of Monte McMahon.
- **Regulated Commercial Operations** – Coordinate the dispatch of AEP's generation fleet and engage in bulk power market activity in order to serve native load requirements and to lower customer rates through off-system sales. See the testimony of Scott Mertz.
- **Environmental Services** – Manage the Company's environmental programs, which include permitting and compliance, laboratory services, and strategy and planning. See the testimony of Brian Bond.

- **Corporate Safety and Health** – Manage the Company’s safety programs. See the testimony of Dan Boezio.
- **Fuel Procurement** – Responsible for fuel procurement, contract negotiation and administration, inventory management, and planning and analysis. See the testimony of Amy Jeffries.
- **Information Technology** - Manage and support application services, the architecture and infrastructure of information technologies, networks, personal computer systems and other hardware assets, and software applications. See the testimony of Greg Filipkowski.
- **Telecommunications** - Provide telecommunication products and services and all infrastructure service for the corporate network and the SCADA network. See the testimony of Stacey Stoffer.
- **Supply Chain and Fleet Operations** – Responsible for the areas of fleet services and the procurement of materials and services, and associated contracting. See the testimony of Brian Frantz.
- **Real Estate and Workplace Services** – Responsible for areas of facilities management, office services, physical security and land management. See the testimony of Randolph J. Ware.
- **Human Resources** – Responsible for interpreting, defining, writing, and administering the Company’s human resource policies and providing human resource services to all AEP employees. Responsible for compliance with all related bodies of regulation, including EEO, ERISA, and OSHA. See the testimony of Brian Healy.
- **Chief Financial Officer** – Maintain all accounting records, provide internal and external reporting, develop the company’s accounting and financial operations policies, plan tax compliance programs, and prepare tax returns. Provide budgeting and forecasting services, financial analyses, and AEPSC billing oversight. Responsible for cash management, corporate finance, the employees’ benefit trust, and investor relations. Responsible for coordinating risk assessment, credit risk management and insurance coverage. See the testimony of Brian Frantz.
- **Chief Executive Officer and Internal Audit** – Executive management oversight provided by the Chief Executive Officer. Provide internal audit services for all business units to ensure that controls are in place and operating effectively. See the testimony of Brian Frantz.

- **Legal Services** – Provide legal services related to litigation, regulatory, real estate, finance, tax, and other business matters. Administer the ethics and compliance program. See the testimony of Lynn Ferry-Nelson.
- **Physical & Cyber Security** - Provide services related to enhancing the AEP System's capabilities for identifying risks and threats. See the testimony of Stephen Swick.
- **Corporate Communications** – Provide local corporate communications by distributing information to employees, the media, customers, civic leaders, and the public at large. Provide feedback to management from those various groups. See the testimony of Brian Bond.
- **Energy Supply** - responsible for coordinating the dispatch of AEP's competitive generation fleet and engages in marketing, risk management and retail activities in ERCOT, PJM, SPP and MISO.

Other Affiliates:

Services similar to those provided to the Company by AEPSC are occasionally provided by other affiliates. These services include, but are not limited to, storm assistance and maintenance; matters relating to utility operations; engineering services; participation in regulatory and government affairs; shared legal matters; distribution dispatching; asset inspection; and reading, removing, and installing meters. See the testimony of Brian Frantz.

**SOUTHWESTERN POWER COMPANY
CAPITAL PROJECT BY AFFILIATE CLOSED TO PLANT IN SERVICE
AS OF THE END OF THE HISTORIC TEST YEAR
SINCE THE LAST BASE CASE (July 1, 2016 - March 31, 2020)**

BJF-5 Schedule showing capital projects by affiliate amounts closed to plant-in-service as of the end of the Historic Year since the last base rate case or four year, whichever is shorter, unless ordered otherwise, and a discussion of the significant projects based on amount or project category

Scope: The discussion threshold is for projects with affiliate amounts over \$1,000,000 that processed through account 107 and were closed to the plant-in-service accounts of 101 or 106. The following schedule shows projects with affiliate charges over \$100,000 and a summary of projects under the \$100,000 threshold. The code corresponds to the appropriate discussion listed at the end

Line	Business Unit	Work Order Number	Work Order Title	Affiliate Amount	Code
		159	W0007065 SEPCo Distr Capitalized Software	\$24,314,669	B
		159	15999004 SWEPCo Distribution Overheads	\$2,825,372	A
		159	W0027253 Maximo Imp - SEP - D	\$2,623,462	B
		161	W0007102 SWEPCo TXDistr Capitalized Software	\$12,537,381	B
		161	16199004 SWEPCo -TX Distribution Overheads	\$6,191,802	A
		161	W0027257 Maximo Imp - SEPT - TX D	\$1,353,659	B
			6 WORK ORDERS OVER \$1,000,000	\$49,846,345	
		159	42245293 RODESSA UPGRADE XMFR AND REGUL	\$723,481	
		159	42677803 BRUSH CREEK NEW STATION-DIST	\$330,441	
		159	W0032712 SWEPCo D Cap Soft Cloud Compute	\$286,934	B
		159	DSW0099483 66505764-SHREVEPORT LOUISIANA	\$283,549	
		159	42551834 FORT HUMBUG UPGRADE TRANSFORME	\$279,194	
		159	42540135 DEEN PT -UPGRADE TRFS D STATIO	\$238,653	
		159	DSW0099484 66504583-SHREVEPORT MARSHALL N	\$183,687	
		159	T0215725 DIERKS-REPL CB'S, BATT BANK/CH	\$161,025	
		159	T0206474 WATERWORKS(SW) STA CAPITAL PRO	\$146,223	
		159	42468471 AP/TCOM/ARSENAL HILL PS/ SWEPC	\$138,199	
		159	42829819 EUREKA SPRINGS 161KV	\$137,601	
		159	42955454 SOUTH SPRINGDALE SUBSTATION (D	\$135,369	
		159	42730141 SEP/TCOM/LIEBERMAN PP TS/NEXT	\$123,135	
		159	42447459 LINWOOD (LA) - TELECOM PILOT W	\$116,621	
		159	42829887 WESTERN ELECTRIC STATION	\$112,420	
		159	T0177517 WALDRON TRF P6453 REPLACE FAIL	\$111,265	
		159	42468470 AP/TCOM/ARSENAL HILL PS/ SWEPC	\$107,268	
		159	42672972 SEP/TCOM/UNION STREET SC TS/NE	\$101,236	
		161	DST0093949 65914545-SEP/LD 5/28/17 TORN	\$393,882	
		161	42678610 MORTON STATION-DIST	\$214,083	
		161	42829771 LAKE LAMOND STATION	\$176,521	
		161	T0212604 TRO80002584 LOUISIANA PACIFIC	\$173,320	
		161	W0032718 SWEPCo TX D Cap Soft Cloud Compute	\$150,345	B
		161	T0212588 TRO8002368_SCOTTSTVILLE (SW) TR	\$140,332	
		161	42672961 SEPT/TCOM/MARSHALL TS/NEXT GEN	\$139,644	
		161	42533425 HALLSVILLE-MARSHALL DISTR UNDE	\$131,513	
		161	42641495 IPC JEFFERSON-REPLACE FAILED D	\$116,028	
		161	42506885 PURCHASE MOBILE SW-15-TEX	\$111,546	
		161	42829791 CENTER STATION	\$110,083	
			29 WORK ORDERS FROM \$100,000 TO \$999,999	\$5,573,598	
			1,984 WORK ORDERS UNDER \$100,000	\$11,965,980	
			TOTAL SWEPCO DISTRIBUTION	\$67,385,923	
Line	Business Unit	Work Order Number		Affiliate Amount	
		168	W0007104 SWEPCo Gen Capitalized Software	\$28,020,306	B
		168	16899001 SEP Whsle Overheads	\$16,523,921	A
		168	W0027261 Maximo Imp - SEP - G	\$8,107,431	B
		168	X1186110 WSH U1 (I) FF, DCI CNTRL & RM	\$5,061,820	
		168	42600753 PRK CONTROLS BMS CC	\$2,838,179	
		168	X1177870 FLINT CREEK FGD LANDFILL	\$1,975,300	
		168	X1186630 FC U1 NOX MODS	\$1,567,126	
		168	X1177020 FLINT CREEK FGD	\$1,471,252	
		168	42626626 FGD CONTROLS UPGRADE	\$1,171,480	
		168	X1182280 WSH PHS 1 ENG FFACI/DSI	\$5,617,837	
			10 WORK ORDERS OVER \$1,000,000	\$61,118,977	
		168	X1185990 WSH U3 FF & DCI CONTROLS	\$885,808	
		168	X1185980 WSH COMMON ENV EQPMT	\$761,281	
		168	42673162 INSTALL - TRK ACTIVATE 2 LANDF	\$746,307	
		168	X1180270 FC LDFL LEACHATE TRTMT SYS	\$733,062	

**SOUTHWESTERN POWER COMPANY
CAPITAL PROJECT BY AFFILIATE CLOSED TO PLANT IN SERVICE
AS OF THE END OF THE HISTORIC TEST YEAR
SINCE THE LAST BASE CASE (July 1, 2016 - March 31, 2020)**

BJF-5 Schedule showing capital projects by affiliate amounts closed to plant-in-service as of the end of the Historic Year since the last base rate case or four year, whichever is shorter, unless ordered otherwise, and a discussion of the significant projects based on amount or project category

Scope: The discussion threshold is for projects with affiliate amounts over \$1,000,000 that processed through account 107 and were closed to the plant-in-service accounts of 101 or 106. The following schedule shows projects with affiliate charges over \$100,000 and a summary of projects under the \$100,000 threshold. The code corresponds to the appropriate discussion listed at the end.

Line	Business Unit	Work Order Number	Work Order Title	Affiliate Amount	Code
	168	X1188710	118871 TURK RAIL REPLACEMENT	\$418,915	
	168	42949519	6S 2019 TURBINE MAJOR PACKING	\$356,738	
	168	42689477	REPLACE 1ST AND 8TH STAGE HP T	\$264,704	
	168	42619499	U5 8TH AND 9TH STAGE TURBINE B	\$237,177	
	168	42845041	INSTALL - COAL YARD CRUSHER H	\$207,074	
	168	42751517	REPLACE CONVEYOR RELAYS AND UP	\$204,755	
	168	42617558	U2 SH/RH REPLACEMENT	\$202,955	
	168	X1186850	WSH U1 ENV PUNCHLIST	\$194,946	
	168	42785207	U0 - COALYARD CAR DUMPER REPLA	\$180,981	
	168	42877884	I/R - TURK RAIL REPLACEMENT	\$166,896	
	168	42319297	U3 - "A" AND "C" BUS 4KV SWITC	\$155,019	
	168	42520610	MAKE-UP POND EXPANSION - BERM	\$154,455	
	168	42558653	TURK ARC FLASH	\$154,318	
	168	42906739	U5 TURBINE CROSSOVER EXPANSION	\$145,667	
	168	42449065	U6 EMERGENCY DIESEL GENERATOR	\$134,250	
	168	42578773	REPLACE "B" 4 KV SWITCHGEAR &	\$129,149	
	168	42518873	WELSH - NRX SYSTEM DEPLOYMENT	\$127,105	
	168	42899569	2019 RELAYS FOR DME	\$124,796	
	168	X1187060	FC U1 FGD PUNCHLIST	\$120,686	
	168	42671076	DEPLOY ASSET HUB /NRX AT FLINT	\$115,993	
	168	X1186460	ARS NERC CIP SECURITY UPGRADES	\$109,128	
	168	42666687	U0 - WELSH CAPACITOR BANK 4KV	\$106,958	
	168	42862127	U0 GAS LINE REPLACEMENT	\$102,911	
			27 WORK ORDERS FROM \$100,000 TO \$999,999	\$7,242,035	
			300 WORK ORDERS UNDER \$100,000	\$4,679,713	
			TOTAL SWEPCO GENERATION	\$ 73,040,724	

Line	Business Unit	Work Order Number	Work Order Title	Affiliate Amount	
	194	19499003	SEP Trans Overheads	\$42,497,325	A
	194	42478190	WELSH HVDC TIE PHASE 2 SWEPCO	\$15,071,928	
	194	W0007111	SWEPCo Trans Capitalized Software	\$8,858,646	B
	194	W0027304	Maximo Imp - SEP - T	\$2,090,332	B
	194	42896377	2017 WP/NSW SHAMROCK - NICHOLS	\$1,583,781	
	194	42680737	WEST ATLANTA - PURCHASE TRANSF	\$1,325,443	
	111	W0007111SWP	SWEPCo-TX-Trans Capitalized Softwar	\$4,548,813	B
	111	W0027304SWP	Maximo Imp - SWEPCo Tx T	\$1,016,683	B
			8 WORK ORDERS OVER \$1,000,000	\$76,992,950	

**SOUTHWESTERN POWER COMPANY
CAPITAL PROJECT BY AFFILIATE CLOSED TO PLANT IN SERVICE
AS OF THE END OF THE HISTORIC TEST YEAR
SINCE THE LAST BASE CASE (July 1, 2016 - March 31, 2020)**

BJF-5 Schedule showing capital projects by affiliate amounts closed to plant-in-service as of the end of the Historic Year since the last base rate case or four year, whichever is shorter, unless ordered otherwise, and a discussion of the significant projects based on amount or project category

Scope: The discussion threshold is for projects with affiliate amounts over \$1,000,000 that processed through account 107 and were closed to the plant-in-service accounts of 101 or 106. The following schedule shows projects with affiliate charges over \$100,000 and a summary of projects under the \$100,000 threshold. The code corresponds to the appropriate discussion listed at the end

Line	Business Unit	Work Order Number	Work Order Title	Affiliate Amount	Code
194		41617969	VALLIANT-NW TEXARKANA 345KV LI	\$886,498	
194		42929864	DYESS 161KV SUBSTATION REPLAC	\$578,284	
194		42533814	LEASIDE WAY-STATION	\$438,986	
194		42797919	WEDINGTON TAP STATION-INSTALL	\$398,185	
194		42532943	EAST FAYETTEVILLE STATION BUI	\$395,822	
194		42053088	CHAMBERS SPRING-FARMING AECC 1	\$376,766	
194		42666639	ELLERBE RD - LUCAS 138KV REBUI	\$316,732	
194		42273806	BROWNLEE ROAD - NORTH MARKET R	\$310,580	
194		41617974	ROW VALLIANT-NW TEXARKANA 345K	\$306,789	
194		T0146920	SOUTHWEST SHREVEPORT RPLC FAIL	\$302,537	
194		42773747	IPC 138KV SUBSTATION - CAP BAN	\$262,657	B
194		42581190	EVENSIDE-NW HENDERSON REBUILD	\$261,239	
194		42644227	BANN 138KV STATION REHAB	\$256,647	
194		42661197	DYESS 161KV SUBSTATION REPLAC	\$242,618	
194		42684227	ICP 138KV ADD 145KV CIRCUIT BR	\$242,594	
194		42313591	BROADMOOR - FT HUMBUG 69KV LIN	\$240,925	
194		42672009	WHITNEY 138KV SUBSTATION REHAB	\$239,274	
194		42589201	LINWOOD-SOUTH SHREVEPORT LINE	\$231,111	
194		42929861	WHITNEY 138KV STATION REHAB	\$222,114	
194		T0115280	MURFREESBORO WEST REPLACE KD4	\$212,911	
194		42572586	BROOKS STREET-EDWARDS STREET L	\$211,272	
194		42626693	ARSENAL HILL TO RAINES ROAD 13	\$203,589	
194		42623864	NO HUNTINGTON-WALDRON WEST REB	\$195,194	
194		42700444	SILOAM SPRINGS - MARKHAM'S FER	\$193,269	
194		42623809	GREENLAND-VBI NORTH	\$190,457	
194		42621746	MEMPHIS-CLARENDON CLARENDON-H	\$187,432	
194		42607236	CHAMBERS SPRINGS INSTALL 100 M	\$187,294	
194		42692373	SHAMROCK SUBSTATION REPLACE C	\$185,223	
194		42514131	LETOURNEAU CAPACITOR ADD A 69	\$179,294	
194		TL0036385	VALLIANT - NW TEXARKANA 345KV	\$177,043	
194		42273815	BROWNLEE ROAD - NORTH MARKET R	\$169,056	
194		42169094	LOGANSPOUT INSTALL 28 8 MVAR	\$168,502	
194		42679687	TTMP 2017 ASHDOWN STATION - SU	\$168,236	
194		TL032230	IPC DOMINO - WEST AT R/W WIDEN	\$165,327	
194		TL036091	LONGWOOD - EL DORADO 345KV #13	\$162,720	
194		42053555	SOUTH FAYETTEVILLE SUB UPGRD	\$159,488	
194		42713530	GREENLAND SUBSTATION	\$158,251	
194		42657647	2017 WP/ CLARENDON - JERICHO 6	\$157,060	
194		42532946	EAST FAYETTEVILLE TLINE CUT T	\$153,510	
194		42622815	JENKINS T-HUGHES SPRING REBUIL	\$152,295	
194		42334908	LOWELL-TONTITOWN 161 KV - RELO	\$151,744	
194		42718252	2018 TTMP - SPRINGDALE STATION	\$150,497	
194		42702026	2018 TTMP FLINT CREEK STATION	\$148,631	
194		42538007	LEASIDE WAY-SUMMER GROVE-TLINE	\$145,824	
194		42677302	WILKES 138KV SUBSTATION	\$142,681	
194		42281223	NORTH MARKET UPGRADE CCVT'S	\$138,442	
194		42763621	LETOURNEAU 69KV SWITCHING STAT	\$138,296	
194		42572769	BROOKS STREET STATION WORK	\$135,814	
194		42896004	HILL LAKE 138KV STATION	\$135,317	
194		T0145041	LOGANSPOUT REPLACE FAILED RTU	\$132,673	
194		42053553	CHAMBERS SPRING T-STAT UPGRAD	\$129,370	
194		42639159	FLINT CREEK REPLACE THE RELAY	\$127,195	
194		42644305	DIANA STATION REHAB	\$126,122	
194		42682379	TONTITOWN 161KV SUBSTATION	\$125,253	
194		42241009	LONGVIEW HEIGHTS-HALLSVILLE 69	\$124,200	
194		42313593	FORT HUMBUG STATION UPGRADE J	\$122,550	
194		42625879	MOUNT PLEASANT -NEW BOSTON NA	\$121,309	
194		42565206	EAST ROGERS REPLACE THE DLP	\$121,219	
194		42763999	PIRKEY - TENASKA RUSK RELOCATI	\$120,391	
194		42782325	HALLSVILLE SOUTH TAP T STATION	\$120,354	
194		42318807	SOUTHWEST SHREVEPORT INSTALL T	\$119,421	
194		42623013	DAINGERFIELD - JENKINS T 69 KV	\$119,293	
194		42572788	EDWARDS STREET STATION WORK	\$117,466	
194		42626719	RAINES RD-LONGWOOD REBUILD	\$117,024	

**SOUTHWESTERN POWER COMPANY
CAPITAL PROJECT BY AFFILIATE CLOSED TO PLANT IN SERVICE
AS OF THE END OF THE HISTORIC TEST YEAR
SINCE THE LAST BASE CASE (July 1, 2016 - March 31, 2020)**

BJF-5 Schedule showing capital projects by affiliate amounts closed to plant-in-service as of the end of the Historic Year since the last base rate case or four year, whichever is shorter, unless ordered otherwise, and a discussion of the significant projects based on amount or project category

Scope: The discussion threshold is for projects with affiliate amounts over \$1,000,000 that processed through account 107 and were closed to the plant-in-service accounts of 101 or 106. The following schedule shows projects with affiliate charges over \$100,000 and a summary of projects under the \$100,000 threshold. The code corresponds to the appropriate discussion listed at the end

Line	Business Unit	Work Order Number	Work Order Title	Affiliate Amount	Code
	194	42658701	NORTH MAGAZINE LINE RELAY REPL	\$116,108	
	194	42384102	MIDWAY UPGRADE 69KV TERM REPL	\$113,703	
	194	42439613	RODESSA UPGRADE TRANSFORMER AN	\$113,681	
	194	42155310	LAYFIELD 500/345/230 KV STATIO	\$113,625	
	194	42589299	SOUTH SHREVEPORT STATION	\$112,388	
	194	42677293	WELSH HVDC EAST TIE 345KV SUBS	\$112,380	
	194	42632499	TRICHEL-ARSENAL HILL - TELLEGF	\$112,121	
	194	TL032736	EAST ROGERS - BEAVER R/W WIDEN	\$111,252	
	194	42621757	ESTELLINE-MEMPHIS REBUILD 16	\$104,455	
	194	42655251	TEXARKANA PLANT REPLACE LCB11	\$104,278	
	194	42699723	SILAM SPRINGS 161KV SUBSTATIO	\$103,967	
	194	42633475	BANN - NORTH NEW BOSTON - REBU	\$102,648	
	194	TL033627	LAKE PAULINE-RED RIV CP WO 22	\$102,560	
	194	42677805	NEW BRUSH CREEK - T-LINE	\$101,815	
	194	42529111	BILLING KNOX LEE - ROCK HILL	\$100,242	
	194	42589268	LINWOOD STATION WORK	\$100,237	
	194	42765904	2017 WP/NSW SHAMROCK - NICHOLS	-\$982,689	
			81 WORK ORDERS FROM \$100,000 TO \$999,999	\$14,119,635	
			980 WORK ORDERS UNDER \$100,000	\$11,079,948	
			TOTAL SWEPCO TRANSMISSION	\$102,192,533	
			GRAND TOTAL	\$242,619,180	

A. Overhead Work Orders

This work order is a repository for the charges that should be attributed to investment or retirement projects. The projects are too numerous to charge directly. The charges are cleared to open construction projects based on a percentage of total charges.

B. Miscellaneous Capital Software Projects

This work order is a repository for the charges that should be attributed to capital software projects that do not meet the criteria to have a specific work order established. AEP accounting policy requires capitalization of software acquired or internally developed.

**Southwestern Electric Power Company
Adjustments to Test Year Expenses
For the Test Year Ended March 31, 2020**

	<u>Total</u>
Total Affiliate Pro-forma Adjustments:	
1 Remove Miscellaneous Items	(\$1,333,706)
2 Reduce Annual Incentive Compensation	(5,487,878)
3 Reduce Long-Term Incentive Compensation	(2,298,741)
4 Remove Corporate Aviation Costs	(1,411,730)
5 Remove Work Order	(1,567,823)
6 Adjust Test Year Benefit Plan Costs	731,739
7 Adjust Headcount to Year-End Level	3,804,876
8 Add Requested AEPSC Donations	191,814
9 Remove EEI Lobbying Costs	(49)
10 Normalize AEPSC Umbrella Trust	368,465
11 Remove SERP Charges	(439,269)
12 Adjust Internal Support Costs	<u>(107,504)</u>
Total AEPSC Pro-forma Adjustments	<u>(\$7,549,806)</u>

**Southwestern Electric Power Company
Adjustments to Test Year Expenses
AEPSC Billings to SWEPCO
For the Test Year March 31, 2020**

Line	FERC Account	Proforma Number and Description (Refer to Testimony of Brian Frantz and Exhibit BJF-18)	Total
1	4261 - Donations	08 - Add Requested AEPSC Donations	\$ 152,838
2	4264 - Civic & Political Activities	08 - Add Requested AEPSC Donations	27,501
3	4265 - Other Deductions	08 - Add Requested AEPSC Donations	11,475
4	5000 - Oper Supervision & Engineering	01 - Remove Miscellaneous Items	(149,435)
5		02 - Normalize Annual Incentive Compensation	(984,923)
6		03 - Normalize Long-Term Incentive Compensation	(288,940)
7		04 - Remove Corporate Aviation Costs	(243,791)
8		06 - Adjust Test Year Benefit Plan Costs	52,309
9		07 - Adjust Headcount to Year-End Level	609,540
10		11 - Remove SERP Charges	(8,359)
11	5010 - Fuel	01 - Remove Miscellaneous Items	(2,250)
12		02 - Normalize Annual Incentive Compensation	(65,060)
13		03 - Normalize Long-Term Incentive Compensation	(19,856)
14		06 - Adjust Test Year Benefit Plan Costs	3,624
15		07 - Adjust Headcount to Year-End Level	42,067
16		11 - Remove SERP Charges	(582)
17	5020 - Steam Expenses	01 - Remove Miscellaneous Items	(181)
18		02 - Normalize Annual Incentive Compensation	(17,415)
19		03 - Normalize Long-Term Incentive Compensation	(4,718)
20		06 - Adjust Test Year Benefit Plan Costs	832
21		07 - Adjust Headcount to Year-End Level	9,783
22		11 - Remove SERP Charges	(133)
23	5050 - Electric Expenses	02 - Normalize Annual Incentive Compensation	(294)
24		03 - Normalize Long-Term Incentive Compensation	(107)
25		06 - Adjust Test Year Benefit Plan Costs	22
26		07 - Adjust Headcount to Year-End Level	252
27		11 - Remove SERP Charges	(4)
28	5060 - Misc Steam Power Expenses	01 - Remove Miscellaneous Items	(4,166)
29		02 - Normalize Annual Incentive Compensation	757,039
30		03 - Normalize Long-Term Incentive Compensation	(24,741)
31		04 - Remove Corporate Aviation Costs	(44)
32		06 - Adjust Test Year Benefit Plan Costs	3,428
33		07 - Adjust Headcount to Year-End Level	39,848
34		11 - Remove SERP Charges	(545)
35	5100 - Maint Supv & Engineering	01 - Remove Miscellaneous Items	(71,169)
36		02 - Normalize Annual Incentive Compensation	(30,969)
37		03 - Normalize Long-Term Incentive Compensation	(9,779)
38		06 - Adjust Test Year Benefit Plan Costs	1,854
39		07 - Adjust Headcount to Year-End Level	21,746
40		11 - Remove SERP Charges	(299)
41	5110 - Maintenance of Structures	01 - Remove Miscellaneous Items	(154)
42		02 - Normalize Annual Incentive Compensation	(39,361)
43		03 - Normalize Long-Term Incentive Compensation	(14,658)
44		06 - Adjust Test Year Benefit Plan Costs	2,927
45		07 - Adjust Headcount to Year-End Level	34,780
46		11 - Remove SERP Charges	(472)
47	5120 - Maintenance of Boiler Plant	01 - Remove Miscellaneous Items	(1,433)
48		02 - Normalize Annual Incentive Compensation	(166,652)
49		03 - Normalize Long-Term Incentive Compensation	(40,801)
50		06 - Adjust Test Year Benefit Plan Costs	6,337
51		07 - Adjust Headcount to Year-End Level	75,011
52		11 - Remove SERP Charges	(1,007)
53	5130 - Maintenance of Electric Plant	01 - Remove Miscellaneous Items	(1,071)
54		02 - Normalize Annual Incentive Compensation	(40,383)
55		03 - Normalize Long-Term Incentive Compensation	(11,325)

Southwestern Electric Power Company
Adjustments to Test Year Expenses
AEPSC Billings to SWEPCO
For the Test Year March 31, 2020

Line	FERC Account	Proforma Number and Description (Refer to Testimony of Brian Frantz and Exhibit BJF-18)	Total
56		06 - Adjust Test Year Benefit Plan Costs	1,631
57		07 - Adjust Headcount to Year-End Level	19,247
58		11 - Remove SERP Charges	(259)
59	5140 - Maintenance of Misc Steam Plt	01 - Remove Miscellaneous Items	140
60		02 - Normalize Annual Incentive Compensation	(6,767)
61		03 - Normalize Long-Term Incentive Compensation	(2,803)
62		06 - Adjust Test Year Benefit Plan Costs	596
63		07 - Adjust Headcount to Year-End Level	7,081
64		11 - Remove SERP Charges	(96)
65	5170 - Oper Supervision & Engineering	01 - Remove Miscellaneous Items	20
66	5200 - Steam Expenses	01 - Remove Miscellaneous Items	(51)
67	5240 - Misc Nuclear Power Expenses	01 - Remove Miscellaneous Items	(1,669)
68		02 - Normalize Annual Incentive Compensation	(0)
69		07 - Adjust Headcount to Year-End Level	0
70	5280 - Maint Supv & Engineering	01 - Remove Miscellaneous Items	(5,929)
71		02 - Normalize Annual Incentive Compensation	(598)
72		03 - Normalize Long-Term Incentive Compensation	(155)
73		06 - Adjust Test Year Benefit Plan Costs	31
74		07 - Adjust Headcount to Year-End Level	364
75		11 - Remove SERP Charges	(5)
76	5290 - Maintenance of Structures	01 - Remove Miscellaneous Items	(354)
77		02 - Normalize Annual Incentive Compensation	(23)
78		03 - Normalize Long-Term Incentive Compensation	(9)
79		06 - Adjust Test Year Benefit Plan Costs	2
80		07 - Adjust Headcount to Year-End Level	22
81		11 - Remove SERP Charges	(0)
82	5300 - Maint of Reactor Plant Equip	01 - Remove Miscellaneous Items	(42)
83		02 - Normalize Annual Incentive Compensation	(2)
84		03 - Normalize Long-Term Incentive Compensation	(1)
85		06 - Adjust Test Year Benefit Plan Costs	0
86		07 - Adjust Headcount to Year-End Level	0
87		11 - Remove SERP Charges	(0)
88	5310 - Maintenance of Electric Plant	01 - Remove Miscellaneous Items	(256)
89		02 - Normalize Annual Incentive Compensation	(1)
90		03 - Normalize Long-Term Incentive Compensation	(0)
91		06 - Adjust Test Year Benefit Plan Costs	0
92		07 - Adjust Headcount to Year-End Level	1
93		11 - Remove SERP Charges	(0)
94	5320 - Maint of Misc Nuclear Plant	01 - Remove Miscellaneous Items	(582)
95	5350 - Oper Supervision & Engineering	01 - Remove Miscellaneous Items	(4,850)
96		02 - Normalize Annual Incentive Compensation	(387)
97		03 - Normalize Long-Term Incentive Compensation	(125)
98		06 - Adjust Test Year Benefit Plan Costs	24
99		07 - Adjust Headcount to Year-End Level	274
100		11 - Remove SERP Charges	(4)
101	5370 - Hydraulic Expenses	01 - Remove Miscellaneous Items	(1,100)
102		02 - Normalize Annual Incentive Compensation	(46)
103		03 - Normalize Long-Term Incentive Compensation	(14)
104		06 - Adjust Test Year Benefit Plan Costs	2
105		07 - Adjust Headcount to Year-End Level	26
106		11 - Remove SERP Charges	(0)
107	5390 - Misc Hydr Power Generation Exp	01 - Remove Miscellaneous Items	(5,767)
108		02 - Normalize Annual Incentive Compensation	(343)
109		03 - Normalize Long-Term Incentive Compensation	(138)
110		06 - Adjust Test Year Benefit Plan Costs	26

Southwestern Electric Power Company
Adjustments to Test Year Expenses
AEPSC Billings to SWEPCO
For the Test Year March 31, 2020

Line	FERC Account	Proforma Number and Description (Refer to Testimony of Brian Frantz and Exhibit BJF-18)	Total
111		07 - Adjust Headcount to Year-End Level	314
112		11 - Remove SERP Charges	(4)
113	5420 - Maintenance of Structures	01 - Remove Miscellaneous Items	(306)
114	5430 - Maint Rsrvoirs,Dams&Wtrways	01 - Remove Miscellaneous Items	59
115	5440 - Maintenance of Electric Plant	01 - Remove Miscellaneous Items	547
116	5450 - Maint of Misc Hydraulic Plant	01 - Remove Miscellaneous Items	(1,145)
117		02 - Normalize Annual Incentive Compensation	(42)
118		03 - Normalize Long-Term Incentive Compensation	(20)
119		06 - Adjust Test Year Benefit Plan Costs	5
120		07 - Adjust Headcount to Year-End Level	54
121		11 - Remove SERP Charges	(1)
122	5510 - Maint Supv & Engineering	02 - Normalize Annual Incentive Compensation	2
123		03 - Normalize Long-Term Incentive Compensation	1
124		06 - Adjust Test Year Benefit Plan Costs	(0)
125		07 - Adjust Headcount to Year-End Level	(0)
126		11 - Remove SERP Charges	0
127	5530 - Maintenance of Generating Plt	02 - Normalize Annual Incentive Compensation	(1,074)
128		03 - Normalize Long-Term Incentive Compensation	(390)
129		06 - Adjust Test Year Benefit Plan Costs	57
130		07 - Adjust Headcount to Year-End Level	672
131		11 - Remove SERP Charges	(9)
132	5560 - Sys Control & Load Dispatching	01 - Remove Miscellaneous Items	(24,030)
133		02 - Normalize Annual Incentive Compensation	(131,015)
134		03 - Normalize Long-Term Incentive Compensation	(38,299)
135		06 - Adjust Test Year Benefit Plan Costs	7,141
136		07 - Adjust Headcount to Year-End Level	83,883
137		11 - Remove SERP Charges	(1,141)
138	5570 - Other Expenses	01 - Remove Miscellaneous Items	(19,105)
139		02 - Normalize Annual Incentive Compensation	(312,317)
140		03 - Normalize Long-Term Incentive Compensation	(94,897)
141		06 - Adjust Test Year Benefit Plan Costs	16,005
142		07 - Adjust Headcount to Year-End Level	187,762
143		11 - Remove SERP Charges	(2,557)
144	5600 - Oper Supervision & Engineering	01 - Remove Miscellaneous Items	(118,923)
145		02 - Normalize Annual Incentive Compensation	(548,347)
146		03 - Normalize Long-Term Incentive Compensation	(115,192)
147		04 - Remove Corporate Aviation Costs	(64,377)
148		06 - Adjust Test Year Benefit Plan Costs	30,858
149		07 - Adjust Headcount to Year-End Level	358,219
150		11 - Remove SERP Charges	(4,928)
151	5612 - Load Dispatch-Mntr&Op TransSys	01 - Remove Miscellaneous Items	(6,750)
152		02 - Normalize Annual Incentive Compensation	(82,168)
153		03 - Normalize Long-Term Incentive Compensation	(15,136)
154		06 - Adjust Test Year Benefit Plan Costs	4,810
155		07 - Adjust Headcount to Year-End Level	56,225
156		11 - Remove SERP Charges	(768)
157	5615 - Reliability,Plng&Stds Develop	01 - Remove Miscellaneous Items	(166)
158		02 - Normalize Annual Incentive Compensation	(20,060)
159		03 - Normalize Long-Term Incentive Compensation	(3,618)
160		06 - Adjust Test Year Benefit Plan Costs	1,134
161		07 - Adjust Headcount to Year-End Level	13,304
162		11 - Remove SERP Charges	(180)
163	5620 - Station Expenses	01 - Remove Miscellaneous Items	(881)
164		02 - Normalize Annual Incentive Compensation	(504)
165		03 - Normalize Long-Term Incentive Compensation	(118)

Southwestern Electric Power Company
Adjustments to Test Year Expenses
AEPSC Billings to SWEPCO
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Line	FERC Account	Proforma Number and Description (Refer to Testimony of Brian Frantz and Exhibit BJF-18)	Total
166		06 - Adjust Test Year Benefit Plan Costs	34
167		07 - Adjust Headcount to Year-End Level	388
168		11 - Remove SERP Charges	(6)
169	5630 - Overhead Line Expenses	01 - Remove Miscellaneous Items	(164)
170		02 - Normalize Annual Incentive Compensation	(1,785)
171		03 - Normalize Long-Term Incentive Compensation	(306)
172		06 - Adjust Test Year Benefit Plan Costs	92
173		07 - Adjust Headcount to Year-End Level	1,066
174		11 - Remove SERP Charges	(14)
175	5640 - Underground Line Expenses	01 - Remove Miscellaneous Items	19
176	5660 - Misc Transmission Expenses	01 - Remove Miscellaneous Items	(69,631)
177		02 - Normalize Annual Incentive Compensation	(117,988)
178		03 - Normalize Long-Term Incentive Compensation	(82,446)
179		04 - Remove Corporate Aviation Costs	(12,052)
180		06 - Adjust Test Year Benefit Plan Costs	6,851
181		07 - Adjust Headcount to Year-End Level	79,882
182		11 - Remove SERP Charges	(1,085)
183	5670 - Rents	02 - Normalize Annual Incentive Compensation	(7)
184		03 - Normalize Long-Term Incentive Compensation	(2)
185		06 - Adjust Test Year Benefit Plan Costs	1
186		07 - Adjust Headcount to Year-End Level	7
187		11 - Remove SERP Charges	(0)
188	5680 - Maint Supv & Engineering	01 - Remove Miscellaneous Items	(373)
189		02 - Normalize Annual Incentive Compensation	(817)
190		03 - Normalize Long-Term Incentive Compensation	(159)
191		06 - Adjust Test Year Benefit Plan Costs	47
192		07 - Adjust Headcount to Year-End Level	542
193		11 - Remove SERP Charges	(8)
194	5690 - Maintenance of Structures	01 - Remove Miscellaneous Items	17
195		02 - Normalize Annual Incentive Compensation	(9)
196		03 - Normalize Long-Term Incentive Compensation	(1)
197		06 - Adjust Test Year Benefit Plan Costs	0
198		07 - Adjust Headcount to Year-End Level	3
199		11 - Remove SERP Charges	(0)
200	5691 - Maint of Computer Hardware	02 - Normalize Annual Incentive Compensation	(737)
201		03 - Normalize Long-Term Incentive Compensation	(137)
202		06 - Adjust Test Year Benefit Plan Costs	45
203		07 - Adjust Headcount to Year-End Level	525
204		11 - Remove SERP Charges	(7)
205	5692 - Maint of Computer Software	02 - Normalize Annual Incentive Compensation	(11,868)
206		03 - Normalize Long-Term Incentive Compensation	(2,631)
207		06 - Adjust Test Year Benefit Plan Costs	714
208		07 - Adjust Headcount to Year-End Level	8,276
209		11 - Remove SERP Charges	(114)
210	5700 - Maint of Station Equipment	01 - Remove Miscellaneous Items	(10,419)
211		02 - Normalize Annual Incentive Compensation	(18,162)
212		03 - Normalize Long-Term Incentive Compensation	(3,271)
213		06 - Adjust Test Year Benefit Plan Costs	1,001
214		07 - Adjust Headcount to Year-End Level	11,614
215		11 - Remove SERP Charges	(159)
216	5710 - Maintenance of Overhead Lines	01 - Remove Miscellaneous Items	(2,355)
217		02 - Normalize Annual Incentive Compensation	(2,719)
218		03 - Normalize Long-Term Incentive Compensation	(569)
219		06 - Adjust Test Year Benefit Plan Costs	108
220		07 - Adjust Headcount to Year-End Level	1,243

Southwestern Electric Power Company
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AEPSC Billings to SWEPCO
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Line	FERC Account	Proforma Number and Description (Refer to Testimony of Brian Frantz and Exhibit BJF-18)	Total
221		11 - Remove SERP Charges	(17)
222	5720 - Maint of Underground Lines	01 - Remove Miscellaneous Items	111
223	5730 - Maint of Misc Trnsmssion Plt	01 - Remove Miscellaneous Items	(4,589)
224		02 - Normalize Annual Incentive Compensation	(122)
225		03 - Normalize Long-Term Incentive Compensation	(21)
226		06 - Adjust Test Year Benefit Plan Costs	6
227		07 - Adjust Headcount to Year-End Level	70
228		11 - Remove SERP Charges	(1)
229	5800 - Oper Supervision & Engineering	01 - Remove Miscellaneous Items	(4,266)
230		02 - Normalize Annual Incentive Compensation	(124,340)
231		03 - Normalize Long-Term Incentive Compensation	(39,344)
232		06 - Adjust Test Year Benefit Plan Costs	5,753
233		07 - Adjust Headcount to Year-End Level	64,796
234		11 - Remove SERP Charges	(917)
235	5820 - Station Expenses	01 - Remove Miscellaneous Items	(3,196)
236		02 - Normalize Annual Incentive Compensation	(5,536)
237		03 - Normalize Long-Term Incentive Compensation	(1,058)
238		06 - Adjust Test Year Benefit Plan Costs	347
239		07 - Adjust Headcount to Year-End Level	4,059
240		11 - Remove SERP Charges	(56)
241	5830 - Overhead Line Expenses	01 - Remove Miscellaneous Items	4
242		02 - Normalize Annual Incentive Compensation	(43)
243		03 - Normalize Long-Term Incentive Compensation	(9)
244		06 - Adjust Test Year Benefit Plan Costs	2
245		07 - Adjust Headcount to Year-End Level	22
246		11 - Remove SERP Charges	(0)
247	5840 - Underground Line Expenses	02 - Normalize Annual Incentive Compensation	(1,553)
248		03 - Normalize Long-Term Incentive Compensation	(489)
249		06 - Adjust Test Year Benefit Plan Costs	68
250		07 - Adjust Headcount to Year-End Level	758
251		11 - Remove SERP Charges	(11)
252	5860 - Meter Expenses	01 - Remove Miscellaneous Items	(300)
253		02 - Normalize Annual Incentive Compensation	(16,111)
254		03 - Normalize Long-Term Incentive Compensation	(3,490)
255		06 - Adjust Test Year Benefit Plan Costs	947
256		07 - Adjust Headcount to Year-End Level	10,667
257		11 - Remove SERP Charges	(152)
258	5880 - Miscellaneous Distribution Exp	01 - Remove Miscellaneous Items	(8,491)
259		02 - Normalize Annual Incentive Compensation	255,041
260		03 - Normalize Long-Term Incentive Compensation	54,878
261		06 - Adjust Test Year Benefit Plan Costs	5,422
262		07 - Adjust Headcount to Year-End Level	61,383
263		11 - Remove SERP Charges	(866)
264	5900 - Maint Supv & Engineering	01 - Remove Miscellaneous Items	20
265		02 - Normalize Annual Incentive Compensation	(1,035)
266		03 - Normalize Long-Term Incentive Compensation	(309)
267		06 - Adjust Test Year Benefit Plan Costs	43
268		07 - Adjust Headcount to Year-End Level	474
269		11 - Remove SERP Charges	(7)
270	5910 - Maintenance of Structures	01 - Remove Miscellaneous Items	(35)
271	5920 - Maint of Station Equipment	01 - Remove Miscellaneous Items	(11,283)
272		02 - Normalize Annual Incentive Compensation	(7,812)
273		03 - Normalize Long-Term Incentive Compensation	(3,092)
274		06 - Adjust Test Year Benefit Plan Costs	427
275		07 - Adjust Headcount to Year-End Level	4,957

Southwestern Electric Power Company
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AEPSC Billings to SWEPCO
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Line	FERC Account	Proforma Number and Description (Refer to Testimony of Brian Frantz and Exhibit BJF-18)	Total
276		11 - Remove SERP Charges	(69)
277	5930 - Maintenance of Overhead Lines	01 - Remove Miscellaneous Items	635
278		02 - Normalize Annual Incentive Compensation	(4,943)
279		03 - Normalize Long-Term Incentive Compensation	(1,808)
280		06 - Adjust Test Year Benefit Plan Costs	236
281		07 - Adjust Headcount to Year-End Level	2,658
282		11 - Remove SERP Charges	(38)
283	5940 - Maint of Underground Lines	01 - Remove Miscellaneous Items	2
284	5960 - Maint of Strt Lghtng & Sgnal S	01 - Remove Miscellaneous Items	0
285	5970 - Maintenance of Meters	02 - Normalize Annual Incentive Compensation	(25)
286		03 - Normalize Long-Term Incentive Compensation	(3)
287		06 - Adjust Test Year Benefit Plan Costs	2
288		07 - Adjust Headcount to Year-End Level	20
289		11 - Remove SERP Charges	(0)
290	5980 - Maint of Misc Distribution Plt	01 - Remove Miscellaneous Items	(33)
291	9010 - Supervision - Customer Accts	02 - Normalize Annual Incentive Compensation	(5,724)
292		03 - Normalize Long-Term Incentive Compensation	(676)
293		06 - Adjust Test Year Benefit Plan Costs	407
294		07 - Adjust Headcount to Year-End Level	4,577
295		11 - Remove SERP Charges	(65)
296	9020 - Meter Reading Expenses	01 - Remove Miscellaneous Items	(53)
297		02 - Normalize Annual Incentive Compensation	(9,895)
298		03 - Normalize Long-Term Incentive Compensation	(1,098)
299		06 - Adjust Test Year Benefit Plan Costs	711
300		07 - Adjust Headcount to Year-End Level	8,108
301		11 - Remove SERP Charges	(114)
302	9030 - Cust Records & Collection Exp	01 - Remove Miscellaneous Items	(9,879)
303		02 - Normalize Annual Incentive Compensation	(718,889)
304		03 - Normalize Long-Term Incentive Compensation	(91,184)
305		04 - Remove Corporate Aviation Costs	(6,830)
306		06 - Adjust Test Year Benefit Plan Costs	48,644
307		07 - Adjust Headcount to Year-End Level	538,030
308		11 - Remove SERP Charges	(7,766)
309	9050 - Misc Customer Accounts Exp	01 - Remove Miscellaneous Items	(103)
310		02 - Normalize Annual Incentive Compensation	(1,810)
311		03 - Normalize Long-Term Incentive Compensation	(201)
312		06 - Adjust Test Year Benefit Plan Costs	144
313		07 - Adjust Headcount to Year-End Level	1,670
314		11 - Remove SERP Charges	(23)
315	9070 - Supervision - Customer Service	01 - Remove Miscellaneous Items	(4,725)
316		02 - Normalize Annual Incentive Compensation	(9,005)
317		03 - Normalize Long-Term Incentive Compensation	(966)
318		06 - Adjust Test Year Benefit Plan Costs	628
319		07 - Adjust Headcount to Year-End Level	7,169
320		11 - Remove SERP Charges	(100)
321	9080 - Customer Assistance Expenses	01 - Remove Miscellaneous Items	(848)
322		02 - Normalize Annual Incentive Compensation	(5,186)
323		03 - Normalize Long-Term Incentive Compensation	(445)
324		06 - Adjust Test Year Benefit Plan Costs	372
325		07 - Adjust Headcount to Year-End Level	4,389
326		11 - Remove SERP Charges	(60)
327	9100 - Misc Cust Svc&Informational Ex	02 - Normalize Annual Incentive Compensation	(1,807)
328		03 - Normalize Long-Term Incentive Compensation	(485)
329		06 - Adjust Test Year Benefit Plan Costs	92
330		07 - Adjust Headcount to Year-End Level	851

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AEPSC Billings to SWEPCO
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Line	FERC Account	Proforma Number and Description (Refer to Testimony of Brian Frantz and Exhibit BJF-18)	Total
331		11 - Remove SERP Charges	(15)
332	9120 - Demonstrating & Selling Exp	01 - Remove Miscellaneous Items	(6,784)
333		02 - Normalize Annual Incentive Compensation	(80)
334		03 - Normalize Long-Term Incentive Compensation	(16)
335		06 - Adjust Test Year Benefit Plan Costs	14
336		07 - Adjust Headcount to Year-End Level	169
337		11 - Remove SERP Charges	(2)
338	9200 - Administrative & Gen Salaries	01 - Remove Miscellaneous Items	(78,786)
339		02 - Normalize Annual Incentive Compensation	(2,763,992)
340		03 - Normalize Long-Term Incentive Compensation	(1,347,958)
341		04 - Remove Corporate Aviation Costs	205
342		06 - Adjust Test Year Benefit Plan Costs	117,770
343		07 - Adjust Headcount to Year-End Level	1,303,857
344		11 - Remove SERP Charges	(18,849)
345	9210 - Office Supplies and Expenses	01 - Remove Miscellaneous Items	(118,662)
346		02 - Normalize Annual Incentive Compensation	(954)
347		03 - Normalize Long-Term Incentive Compensation	(400)
348		04 - Remove Corporate Aviation Costs	(1,081,952)
349		06 - Adjust Test Year Benefit Plan Costs	45
350		07 - Adjust Headcount to Year-End Level	110
351		11 - Remove SERP Charges	(7)
352	9230 - Outside Services Employed	01 - Remove Miscellaneous Items	(222,373)
353		02 - Normalize Annual Incentive Compensation	21,586
354		03 - Normalize Long-Term Incentive Compensation	(30)
355		04 - Remove Corporate Aviation Costs	(103)
356		06 - Adjust Test Year Benefit Plan Costs	396,665
357		07 - Adjust Headcount to Year-End Level	60
358		10 - Normalize AEPSC Umbrella Trust	368,465
359		11 - Remove SERP Charges	(385,730)
360		12 - Remove Internal Support Costs	(107,504)
361	9250 - Injuries and Damages	01 - Remove Miscellaneous Items	(4,549)
362		02 - Normalize Annual Incentive Compensation	(2,428)
363		03 - Normalize Long-Term Incentive Compensation	(2,222)
364		06 - Adjust Test Year Benefit Plan Costs	72
365		07 - Adjust Headcount to Year-End Level	841
366		11 - Remove SERP Charges	(11)
367	9260 - Employee Pensions & Benefits	01 - Remove Miscellaneous Items	(4,217)
368		02 - Normalize Annual Incentive Compensation	(2,333)
369		03 - Normalize Long-Term Incentive Compensation	(815)
370		06 - Adjust Test Year Benefit Plan Costs	122
371		07 - Adjust Headcount to Year-End Level	1,390
372		11 - Remove SERP Charges	(19)
373	9280 - Regulatory Commission Exp	01 - Remove Miscellaneous Items	0
374		02 - Normalize Annual Incentive Compensation	(200,371)
375		03 - Normalize Long-Term Incentive Compensation	(73,389)
376		05 - Remove Work Order	(1,567,823)
377		06 - Adjust Test Year Benefit Plan Costs	8,296
378		07 - Adjust Headcount to Year-End Level	97,877
379		11 - Remove SERP Charges	(1,317)
380	9301 - General Advertising Expenses	01 - Remove Miscellaneous Items	(638)
381		02 - Normalize Annual Incentive Compensation	(18)
382		03 - Normalize Long-Term Incentive Compensation	(3)
383		06 - Adjust Test Year Benefit Plan Costs	2
384		07 - Adjust Headcount to Year-End Level	21
385		11 - Remove SERP Charges	(0)

Southwestern Electric Power Company
Adjustments to Test Year Expenses
AEPSC Billings to SWEPCO
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Line	FERC Account	Proforma Number and Description (Refer to Testimony of Brian Frantz and Exhibit BJF-18)	Total
386	9302 - Misc General Expenses	01 - Remove Miscellaneous Items	(97,385)
387		02 - Normalize Annual Incentive Compensation	(17,238)
388		03 - Normalize Long-Term Incentive Compensation	(5,043)
389		04 - Remove Corporate Aviation Costs	(2,454)
390		06 - Adjust Test Year Benefit Plan Costs	967
391		07 - Adjust Headcount to Year-End Level	10,924
392		09 - Remove EEI Lobbying Costs	(49)
393		11 - Remove SERP Charges	(155)
394	9310 - Rents	01 - Remove Miscellaneous Items	(253)
395		04 - Remove Corporate Aviation Costs	(332)
396	9350 - Maintenance of General Plant	01 - Remove Miscellaneous Items	(2,366)
397		02 - Normalize Annual Incentive Compensation	(17,451)
398		03 - Normalize Long-Term Incentive Compensation	(3,707)
399		06 - Adjust Test Year Benefit Plan Costs	987
400		07 - Adjust Headcount to Year-End Level	10,950
401		11 - Remove SERP Charges	(158)
402	Grand Total		\$ (7,303,046)

Southwestern Electric Power Company
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Other Affiliate Billings to SWEPCO
For the Test Year March 31, 2020

Line	From Affiliate	FERC Account	Proforma Number and Description (Refer to Testimony of Brian Frantz and Exhibit BJF-18)	Total
1	AEP Energy Partners, Inc.	9200 - Administrative & Gen Salaries	01 - Remove Miscellaneous Items	\$ (115,282)
2		9210 - Office Supplies and Expenses	01 - Remove Miscellaneous Items	(254)
3		9230 - Outside Services Employed	01 - Remove Miscellaneous Items	(17)
4	AEP Energy, Inc	9200 - Administrative & Gen Salaries	01 - Remove Miscellaneous Items	(2,477)
5	AEP Generating Company	5100 - Maint Supv & Engineering	01 - Remove Miscellaneous Items	(853)
6		5390 - Misc Hydr Power Generation Exp	01 - Remove Miscellaneous Items	(568)
7		9230 - Outside Services Employed	01 - Remove Miscellaneous Items	(30)
8		9302 - Misc General Expenses	01 - Remove Miscellaneous Items	(311)
9	AEP Generation Resources	5100 - Maint Supv & Engineering	01 - Remove Miscellaneous Items	(198)
10		9200 - Administrative & Gen Salaries	01 - Remove Miscellaneous Items	(13,923)
11		9210 - Office Supplies and Expenses	01 - Remove Miscellaneous Items	(423)
12		9230 - Outside Services Employed	01 - Remove Miscellaneous Items	(63,736)
13	AEP Oklahoma Transmission Company, Inc.	5120 - Maintenance of Boiler Plant	01 - Remove Miscellaneous Items	4,499
14	AEP OnSite Partners, LLC	5860 - Meter Expenses	01 - Remove Miscellaneous Items	(0)
15		9200 - Administrative & Gen Salaries	01 - Remove Miscellaneous Items	(6,138)
16		9210 - Office Supplies and Expenses	01 - Remove Miscellaneous Items	(57)
17	AEP Transmission Company, LLC	5600 - Oper Supervision & Engineering	01 - Remove Miscellaneous Items	(403)
18		9302 - Misc General Expenses	01 - Remove Miscellaneous Items	524
19	Dolet Hills Lignite Company, LLC	5000 - Oper Supervision & Engineering	01 - Remove Miscellaneous Items	(1,087)
20		5060 - Misc Steam Power Expenses	01 - Remove Miscellaneous Items	(2,172)
21		5100 - Maint Supv & Engineering	01 - Remove Miscellaneous Items	(482)
22		5120 - Maintenance of Boiler Plant	01 - Remove Miscellaneous Items	(918)
23		5130 - Maintenance of Electric Plant	01 - Remove Miscellaneous Items	(206)
24		5140 - Maintenance of Misc Steam Plt	01 - Remove Miscellaneous Items	(38,598)
25	Grid Assurance LLC	5660 - Misc Transmission Expenses	01 - Remove Miscellaneous Items	(3,545)
26	Transource West Virginia, LLC	5600 - Oper Supervision & Engineering	01 - Remove Miscellaneous Items	(103)
27	Grand Total			\$ (246,760)